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# USSR Report

HUMAN RESOURCES

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LABOR

OBKOM FIRST SECRETARY DISCUSSES LABOR INCENTIVES IN UKRAINE

Moscow RABOCHIY KLAS I SOVREMENNY MIR in Russian No 3, May-Jun 85 pp 3-20

[Article by V. S. Makarenko, member, CPSU Central Committee; first secretary, Crimean Obkom of the Ukrainian Communist Party: "The Course of Intensification and Increased Effectiveness of the Economy"]

[Text] The concept of the systematic improvement of developed socialism--a concept developed by the CPSU and expressed in concentrated form in decisions of the 26th Party Congress and subsequent plenums of the CPSU Central Committee--gives us a strictly scientific picture of our immediate and long-range objectives and the ways of attaining them. As is known, it is the basis of the new Program of the CPSU that will be submitted for discussion at the 27th Party Congress.

Based on a realistic appraisal of our great successes in socialist construction as well as existing shortcomings, this Marxist-Leninist concept orients communists and all working people toward the large-scale, strenuous effort required to resolve key problems in the further development of Soviet society. The reference is to the myriad of complex problems that in their origin and nature relate to one or another stage in the first phase of the communist formation. The reference is to such a strategy of movement toward communism that has nothing in common with slowness of action or with skipping over historically necessary stages.

The improvement of developed socialist society which we have built embraces all aspects and spheres in its activity: economics, social relations, political life, ideological indoctrination work, and culture. Priority is given to the sphere of economic construction which to the party has been and continues to be, in Lenin's words, the "main policy." Based on the analysis of trends in economic and social development, the party's Central Committee concluded that our economic has reached a point where deep qualitative changes in it have become a compelling necessity. Moreover, the attainment of a dramatic breakthrough in increasing the effectiveness of the national economy and in the intensification of all its branches even before the end of the '80's is presented as a task of enormous political significance.



"The intensification policy is dictated by objective conditions, by the entire course of the nation's development. There is no alternative," it was noted at the All-Union Scientific-Practical Conference on "Improving Developed Socialism and Party Ideological Work in the Light of the Decisions of the June (1983) Plenum of the CPSU Central Committee" on 10 December 1984. "Only an intensive economy developing on the latest scientific-technological foundation can serve as a reliable material base for improving the well-being of the working people, strengthen the country's positions in the international arena, and permit it to enter the new millennium properly as a great and prosperous power." It was stated in this regard that "the intensification of the economy must be given a truly all-people's character, the same political importance as national industrialization had in its time."<sup>1</sup>

The party has clearly defined the ways of converting the economy to an intensive footing. The main consideration here is to considerably raise the rate of scientific-technical progress through the concentration of organizational efforts and material means. The technical retooling of branches; the introduction of the latest scientific advances, resource- and labor-saving technologies; and the dissemination of progressive knowhow throughout the entire national economy acquire paramount importance in the present stage. As the April (1985) Plenum of the CPSU Central Committee emphasized, the party demands that primary stress be placed on fundamentally new, truly revolutionary scientific-technical discoveries and decisions capable of raising labor productivity many-fold. "There is need for revolutionary change--for the transition to new technological systems, to the technology of recent generations that offer the highest effectiveness."<sup>2</sup> The party's decisions are also oriented toward the acceleration of measures to improve the forms and methods of planning scientific-technical progress and its management in all elements of the economy.

The party makes the qualitative transformation of the existing system of productive forces the focal point of its economic strategy and tries to imbue communist and all working people with a very important conclusion: the efficacy of this effort will depend directly on our ability to make the appropriate changes in production relations. The creative search for specific avenues of all-round improvement of the forms and methods of socialist management on the scale of the entire nation and all branches serves as a confirmation of the masses' clear understanding of the politico-economic essence of this conclusion. The entire series of practical decisions by the party's executive organs in recent years have given powerful impetus to the reshaping of public thinking in a way that instills in every Soviet person an interested, creative attitude and the ability to make effective use of everything already available to us. The conversion of the principles contained in them into the channel of real action is intended to facilitate the establishment of order in production everywhere, the strengthening of labor, production, planning, and state discipline, the economical expenditure of resources, and the rational utilization of the nation's production, scientific-technical, and labor potential with the highest effective return.

"The economic mechanism and the entire system of management," the extraordinary March (1985) Plenum of the CPSU stated, "must be steadily improved in the future as well. Following this road and making optimal decisions, it is important to apply the fundamental principles of socialist

management creatively."<sup>3</sup> Rational economic management is today the same urgent demand of the time as the raising of the rate of scientific-technical progress. Only with the aid of one and the other can the material-technical base of our unified multiple-branch national economic complex be dramatically renovated. Only on this basis, can we ultimately resolve the central strategic task posed by the party: the task of coupling the scientific and technological revolution to socialism and raising the productivity of the nation's social labor to the highest level in the world. This will in turn be the decisive prerequisite to raising the well-being of the Soviet people to a very high level and to satisfying their material and nonmaterial needs most completely.

Guided by the directives of the CPSU Central Committee, the Crimean Oblast party organization is systematically and steadfastly promoting economic intensification, the acceleration of scientific-technical progress, the affirmation of economically intelligent management, and a higher return on the Crimea's production, scientific and labor potential. The oblast has amassed a certain amount of positive experience in the party-political facilitation of the resolution of tasks relating to the intensification of the economy, to raising its effectiveness by bringing deep reserves into play (if only partially for the time being), and to the introduction of progressive forms of labor organization and incentives. The present article is focused specifically on these aspects of the activity of the obkom of the Ukrainian Communist Party, on raising our responsibility for seeing to it that the indicated change in orientation of the social consciousness toward the above-indicated problems of improving developed socialism is reliably incorporated in the everyday working life of every collective of Crimeans and of each of its members.

Observing the 40th anniversary of the victory of the Soviet people in the Great Patriotic War through shock work, communists and all working people in Crimean cities and villages are fully resolved to provide a worthy greeting for the 27th CPSU Congress. Crimeans are making a thorough search for additional reserves that must be brought into play more quickly. This is especially important at the finish of the 11th Five-Year Plan.

The efforts of the oblast party organization, which numbers almost 153,000 communists in its ranks, are presently concentrated on reinforcing and developing positive trends in the economy and on securing on this basis the unconditional fulfillment of plan targets in the concluding year of the five-year plan and its socioeconomic program as a whole. This is furthered by our system of forms and methods of party organization and political influence on the solution of pressing tasks of economic construction with due emphasis on the intensification and rationalization of all elements of the production process. And even though the party obkom, gorkoms and raykoms still have much to do to eliminate the system's flaws and to secure its universal application, it has already become the basis of everyday activity of the oblast party organization.

By orienting labor collectives toward mastering the ability to secure maximum yield and highest quality with minimum expenditures of material and labor resources, this system, which we are more and more widely incorporating in the

practice of party management. Convincing confirmation of this point is offered by successes attained by oblast working people in 1984 and in 4 years of the five-year plan. The volume of industrial output increased last year by 3.6 percent and for 4 years by 14.7 percent compared with the plan target of 12.7 percent. There has been improvement in the fulfillment of one of the principal indicators in the plan: product sales with due regard to contractual delivery commitments (99.4 percent in 1984 compared with 98.4 percent in 1981). The oblast's industrial enterprises surpassed labor productivity growth targets for 4 years of the five-year plan: this growth was 2.8 percent in 1984 and 11 percent for 4 years compared with the target of 9.1 percent. Sales in excess of the plan for the 4-year period totalled 348.3 million rubles. The plan for reducing the commodity production cost in oblast industry was fulfilled for 1984 and for the 4-year period. The share of products in the highest quality category rose slightly.

A step forward has been taken in capital construction and at transport and communications enterprises.

Workers in agriculture and the entire agro-industrial complex have scaled new heights. Average annual gross output in 1981-1984 rose by 9.2 percent compared with the corresponding period during the 10th Five-Year Plan. Plans for the sale of fruit, grapes, aromatic raw materials, soy beans, meat, milk, eggs, wool, honey, and silk cocoons to the state were fulfilled for 4 years of the five-year plan.

Last year, kolkhozes and state farms realized the highest gross output for all the years.

The successes that the oblast's working people have attained under the direction of primary party organizations and party raykoms and gorkoms have been appraised according to their merits. Based on their performance in 1984, Crimean Oblast, the hero-city Sevastopol, the Bakhchisarayskiy, Simferopolskiy and Sudakskiy Rayons, and 12 enterprises and farms were winners in the All-Union Socialist Competition and were awarded the Challenge Red Banner of the CPSU Central Committee, the USSR Council of Ministers, the All-Union Central Council of Trade Unions, and the Central Committee of the All-Union Leninist Communist Youth League. Challenge Red Banners of the Ukrainian Communist Party Central Committee and Ukrainian SSR Council of Ministers were awarded to Crimean workers for high indicators in the production and sale of oblast grain, fruit and berries to the state in 1984. The Crimean Oblast was also awarded a certificate for winning the labor competition with workers in Nikolayev and Kherson Oblasts.

Crimeans are justifiably proud of their successes in fulfilling plans and socialist pledges and view the high award from the party as an incentive for new labor attainments in the concluding year of the five-year plan. In this regard, I would like to emphasize that the realistic appraisal of the effectiveness of our continuous party concern for the further, most rational avenues of socioeconomic and cultural development of the Crimea as part of the nation's unified economic complex requires taking one more very important point into account. I refer to the specifics of the party organization's tasks associated with the need to search for an optimal, scientifically



substantiated combination of dynamic economic construction with the integrated development of the resort industry in the Crimea. Such a combination should guarantee the protection of the beautiful nature of the Crimean Peninsula and the use of natural and climatic conditions of the Black Sea coast that are unique to our country for the health restoration and recreation of the Soviet people with due regard to the needs of all society. Such a search is dictated by numerous reasons. I shall merely point out the three most important of them.

First, the fact that the Crimea's health resorts are our national property and a great social acquisition of the Land of the Soviets. Following Lenin's decree "On the Use of the Crimea for the Treatment of the Working People" and owing to the constant concern of the party and the state, they have amassed valuable experience on restoring the health of adults and children. There are presently more than 650 sanatoriums, health resorts and health-improvement institutions in operation in the oblast. They have accommodations for approximately 130,000 vacationers and patients. The total number of persons visiting the Crimea each year for rest and rehabilitation--most of them come without passes and treatment and meal tickets, counting on the hospitality of the local residents and the attention of trade, public catering, municipal service, consumer service, transport, and communications personnel--is almost seven million, which is three times greater than the Crimean population.

Second, the fact that the increased utilization of the Black Sea coast's health resorts intensifies the need for strict measures to prevent the pollution of these zones, adjacent territory, the sea water along the Crimean shores, and the air over them. We are doing a certain amount of work to combat these negative phenomena. Thus, 11 sewage treatment plants and 3 facilities for preventing industrial runoff have been built and put into operation in the oblast's coastal town in recent years and 40 local points of discharge of sewage into coastal waters have been closed down. The establishment of centralized boiler plants using liquid fuel and gas in place of tens of small boiler plants using solid fuel has also played its role. The master plans of cities and settlements call for the gradual removal of all industrial enterprises and economic services to special industrial, municipal service and warehouse territories. In particular, oil dumps, a sewing factory, two automotive enterprises, a motor pool, and a number of other facilities have been removed from Yevpatoriya. Mines have been closed in Gaspra, Simenz, Darsan, and Krasnokamenka. But we realize that the measures that have been taken are not sufficient.

The present strategy of development of Crimean health resorts requires an integrated approach.<sup>4</sup> The special "Health Resort" scientific program (calculated for the period up to the year 2000 and developed under the direct auspices of the party obkom) corresponds to this task. The program is aimed at improving the construction, operation and organization of the oblast's health resorts and at raising the level of medical, personal, trade, and transport service to working people visiting the all-union health resort. Forty-five of the nation's ministries, departments, and scientific and economic organizations are participating in this work. Party and Soviet organs carefully study all activities and concerns of health resorts and



regularly examine various questions relating to the integrated development of health resorts.

Third, that the need to search for optimal variants of the combination of economic construction with the development of the health resort industry is dictated by the major changes in the oblast's production potential that have already taken place or that are presently taking place and that are fraught with negative consequences for the unique natural and climatic conditions of the Crimea. The Crimea's economic growth rates in the last quarter century have indeed been astonishing. In 1960, the volume of the oblast's industrial output exceeded the prewar level almost 3-fold; in 1970--10.5-fold; and by the beginning of the fourth year of the present five-year plan--42-fold. Machine building, radioelectronics, metalworking, shipbuilding, chemistry, construction materials production; and the light, food, fish, and winemaking industry are the leading branches of Crimean industry.

The chemical industry is developing rapidly under the present five-year plan. The new Sivashskiy Aniline-Dye Plant has been put into operation. The construction of new capacities for the production of polyethylene pipe for agriculture is continuing at the Simferopol Plastics Plant. Construction of the second phase of the Crimean Soda Plant has commenced. And even though the necessary nature conservation facilities are mandatorily commissioned together with these new capacities and all other enterprises in this branch have expanded and technically retooled their production in the first 4 years of the five-year plan, we nonetheless experience difficulty in this regard. For example, it is an unsightly fact that the construction of facilities for eliminating industrial sewage at the Sakskiy Chemical Plant is proceeding slowly.

The living practice and experience of the 4 elapsed years of the current five-year plan have brought many new things into our life; the striving to be faithful to Lenin's behest: to go ever further, ever to strive for more; the multiplicity of levels, complexity and specifics of the problems that arise--all this increases our responsibility for fulfilling everything that must be done today and tomorrow. Analysis of the state of affairs in various branches of the oblast's economy shows that there are still many unutilized reserves, shortcomings and omissions in all sectors. It is especially important that every labor collective fulfill its contractual delivery commitments and find additional reserves for increasing labor productivity in excess of the plan by at least 1.3 percent and for lowering production cost by 0.5 percent.

The rational and effective utilization of the oblast's production and scientific-technical potential and the introduction of scientific discoveries and inventions are a decisive condition to raising labor productivity and consequently to the successful fulfillment of five-year plan targets. Party organizations at the Simferopol Electric Machine Building Plant, in the "Foton" Association, the "Sevastopol Marine Plant imeni Sergo Ordzhonikidze" Association, the "Pnevmatika" Association, and the Simferopol Food Machine Building Plant imeni V. V. Kuybyshev have done a superlative job of promoting the introduction of advances of scientific-technical progress and of increasing the return on existing production capacities.

Thus, for example, in the 4 years that have elapsed since the beginning of the current five-year plan, the electric machine building plant has spent 1.7 million rubles to raise the technical level and re-outfit the enterprise out of the 2.2 million rubles allocated for this purpose under the five-year plan as a whole. It has established businesslike cooperation with many of the nation's scientific research institutes and institutions of higher learning. During these 4 years, it succeeded in increasing output by 67.1 percent with due regard to its economic effectiveness in the national economy. While the plant collective produced 51.6 million rubles' worth of output during the entire 10th Five-Year Plan, it produced 54 million rubles' worth in the first 4 years of the current five-year plan. The introduction of waste-free technologies and the assimilation of new, less metal-intensive products (we note, incidentally, that the plant's product mix will be entirely renovated by the end of the five-year plan) saved 300 tons of rolled ferrous metals and 50 tons of nonferrous metals a year. Work performed by the plant collective, including measures to improve the organization of production and labor, enabled it to raise the share of products in the highest quality category to 90 percent. It is very illustrative and entirely natural that workers of the Simferopol Electric Machine Building Plant occupy their worthy place in the leading group of enterprises in the socialist competition of oblast industrial workers for the growth of labor productivity in excess of the plan in the Crimea. In 1984, they surpassed the planned growth of this key indicators by 3.9 percent.

The collective of the "Pnevmatika" Science-Production Association demonstrates an analogous model of the ability to work with initiative, rationally, with a high return, and with emphasis on intensive growth factors. In 1983 alone, the association incorporated 30 in-house scientific innovations in production with an economic effect in excess of two million rubles. The share of products in the highest quality category reached 80 percent at "Pnevmatika" in 1984, while the above-plan growth of labor productivity was 3.3 percent.

At a sitting of the bureau in October 1984, the party obkom discussed and positively evaluated the purposeful effort of party and trade union organizations and the leadership of the "Sevastopol Marine Plant imeni Sergo Ordzhonikidze" and "Foton" Associations to increase the effectiveness of production through the reconstruction and technical retooling of sectors and shops and the improvement of the working people's social and living conditions. As is known, the first of these associations is renowned for its production of floating cranes with a hoisting capacity ranging between 300 and 1600 tons; the second--for the production of color television sets. A decree of the bureau of the party obkom recommended that party gorkoms and raykoms; primary party organizations; Soviet, trade union and economic organs; and enterprise managers take measures to ensure the broad application of progressive republic and oblast enterprises. The decree emphasized that the reference was to their experience in the more complete utilization of available productive capital, material and labor resources and the social reserves for increasing the effectiveness of production as well as the experience of consistent and active work to renovate fixed capital, especially as a result of the introduction of highly productive equipment, progressive and fundamentally new technologies. Owing to the combination of one and the other, labor productivity in the "Sevmorzavod" and "Foton" associations

increased by more than one-third. They realized an economic effect of several tens of millions of rubles from the introduction of new technology, innovative proposals and inventions during that period.

This was facilitated in no small measure by the Sevmorzavod's new form of controlling the creative search for production reserves and for improving product quality under the motto "Progressive Ideas Into Production." It is a system of councils that have been established in every subdivision. The councils are staffed by specialists, leading production workers, innovators, and representatives of social organizations.

Nonetheless it can be said without the risk of exaggeration that the organizing role of the primary party organizations of these enterprises or the "ability of practical organization," the learning of which, as V. I. Lenin emphasized, is the "most difficult task"<sup>5</sup> is today the most important component of certain successes that have been achieved by a number of oblast enterprises in their first steps toward the intensification of production. At the same time, under modern conditions, at a time when the need for qualitative change in our economic work is widely and generally recognized, this is the most important task of every party organ, be it a party bureau, the party committee of a primary party organization, a party raykom, gorkom or obkom. And the only one who can carry out this task is one who is capable to bringing into play that which is called the human factors of scientific-technical progress--daring in the creative search for reserves and optimal solutions for the attainment of optimal end results; enthusiasm; the depth of theoretical thought; the boldness of engineering thought; and the patriotic striving of Soviet people to increase the return on their labor.

The party obkom proceeded from these considerations when it developed and introduced the system of basic measures and directions of organizational work relating to the fulfillment of tasks posed by the 26th CPSU Congress with respect to accelerating scientific-technical progress and strengthening the ties between science and production. A meeting of the oblast party-economic aktiv in March 1982 was an important milepost in this regard. Its participants discussed in depth the question of measures to raise the technical level of production and to secure the more complete utilization of the Crimea's production and scientific-technical potential.

I wish to note in this connection that the party obkom in recent years has more actively involved competent economic leaders and specialists in the collective search for the most effective economic management techniques and has emphasized the intensification of organizational and political work directly in primary party organizations and labor collectives. Party gorkoms and raykoms act similarly. Party officials pay more frequent visits to labor collectives and in addition to exercising their oversight function also render specific assistance to cadres at the local level. Appreciable results are also produced by such proven forms of working with cadres as regular talks in party obkoms, gorkoms and raykoms with secretaries of committees of local party organization, enterprise managers, and chairmen of gorispolkoms and rayispolkoms.



It has become our rule to hear reports by enterprise managers on the introduction of new technology, production processes and progressive knowhow. In 4 years of the current five-year plan, oblast industrial enterprises put mechanized flowlines and automatic transfer lines into operation, totally mechanized and automated 235 shops and sectors, developed 19 prototypes of new types of machines, instruments and automated systems; and modernized a considerable quantity of production equipment. The summary annual economic effect of the introduction of scientific-technical innovations exceeded 102 million rubles.

Our scientists are making a considerable contribution to intensifying and increasing the effectiveness of production. The Crimea has a quite considerable scientific-technical potential at its disposal. Nine academy of sciences institutes, 15 branch scientific research institutes, 4 institutions of higher learning, and 2 affiliates of institutions of higher learning alone employ approximately 4000 scientific associates, including 12 academicians and corresponding members of the USSR Academy of Sciences and UkrSSR Academy of Sciences, more than 200 doctors and approximately 2000 candidates of sciences. Much useful work is also performed by scientists of technological, design and project-planning organizations, experimental farms, and stations. In 4 years of the five-year plan, more than 500 scientific innovations have been introduced in various branches of the national economy; the economic effect was 140 million rubles.

The "Integrated Plan for the Development of Scientific Research and for Promoting Scientific Research and Scientific-Technical Progress in Crimean Oblast in 1981-1985" was formulated because most scientific-technical problems are interbranch problems. It is continuously in the field of vision of the party obkom and its council for promoting scientific-technical progress. According to the plan, scientists' efforts are concentrated in four basic directions of scientific research. The first contemplates the integrated study and development of the World Ocean, oceanology, hydrophysics, hydrochemistry, and hydrobiology and applied research relating to the Azov and Black Sea basin. The second direction is the integrated study of the potential of the recreational development of the Crimea with the aim of creating favorable conditions for the recreation of the working people, of determining health resorts' needs for labor, water and land resources, and of resolving the transport problem.

Considerable scientific effort is devoted to the third direction of research--agriculture. Participating in agricultural research are 14 oblast and southern Ukrainian scientific institutions under the leadership of the Crimean Agricultural Institute imeni M. I. Kalinin, one of the oldest institutions of higher learning which recently celebrated its fiftieth anniversary. Finally, the fourth direction pursues the development of instruments, automated systems of industrial robots and manipulators, and corrosion control. Organizationally, all four scientific directions are represented by integrated oblast programs: "Power Supply," "Agrocomplex," "Health Resort," "Environmental Protection," and "Labor." It is planned to spend almost a half billion rubles on their fulfillment.

Enterprises working under the conditions of the economic experiment (primarily in light industry and the food industry) are the object of our particular



concern. The bureau of the party obkom approved the plan for monitoring the preparation and execution of the experiment and established a commission for coordinating the activity of all its participants. We encourage more initiative at the local level in finding production reserves, in increasing the interest of workers and specialists in the end results of their work and in making thrifty use of resources.

A number of sittings of the bureau of the party obkom examined the question of the further construction of power generating facilities. Special attention is devoted to power construction projects--the Crimean Atomic Electric Power Plant and our country's first experimental heliostation. Their activation will resolve many power supply problems of the Crimea and our neighbors and in industry will produce an effect comparable with the "revolution" that was created in oblast agriculture by the inauguration of the North Crimean Canal. The centralization of heat supply of the cities of Simferopol, Sevastopol and Kerch from existing and rebuilt TETs's [heat and electric power plants] will play its role in the near future. This is very important work in a social sense.

In 1983, there was an event, the significance of which in the energy picture of the oblast, and not only the oblast, cannot be overestimated: the production of natural gas in the first offshore field in the Black Sea. The activation of this field will enable us to more than treble natural gas production!

Builders are confronted with difficult tasks. They are making a considerable contribution to the development of practically all branches of the oblast economy. They put more than 30 key production facilities into operation in 1984 alone. The party obkom, gorkoms and raykoms are devoting more attention to capital construction. Between 1981 and 1984, the Crimea used 4.1 billion rubles in capital investments for the development of the economy, i. e., 8 percent more than during the first 4 years of the 10th Five-Year Plan. The activation of fixed capital outstripped the growth rate of capital investments thereby making it possible to reduce the volume of construction in progress by six percent. We consider this a substantial reserve for curing one of construction's old ailments: "nezavershenki" [unfinished construction projects]. The share of capital investments in the technical retooling and reconstruction of existing enterprises increased by 14 percent.

Builders are making a substantial contribution to the implementation of the Food Program. Every year, the oblast economy uses more than 400 million rubles in capital investments for the development of its agrarian sector. The 400-kilometer water artery of the North Crimean Canal (SKK), which has in large measure altered the face of the oblast's economy and determined the direction of development of Crimean agriculture for decades to come, can truly be considered the oblast's "project of the century."<sup>6</sup> In addition to being an irrigation source, the SKK has also solved the water supply problem of the hero-city Kerch, Feodosiya, and many settlements and villages. The role of the SKK will be discussed below. Here, it should be noted that it continues to be the most important rural structure. With the activation of the second phase of the canal in the near future, water from the Dnieper will be supplied to Simferopol, Sevastopol and other population centers in the Sudak resort zone.

The party obkom, gorkoms and raykoms devote particular attention to housing construction. Every year, we put between 800,000 and 850,000 square meters of housing into operation. A large percentage is highly engineered and is made from large-dimension components. The Simferopol and Sevastopol housebuilding combines have demonstrated solid performance during the current five-year plan. Plans for the activation of housing from all sources of financing have been fulfilled in the last 4 years.

The brigade contract has proven itself as an important factor in increasing the effectiveness of construction. This progressive method of organizing and stimulating labor is finding ever broader application with every passing year in the oblast's construction organizations. It is presently employed by more than 1400 brigades that account for more than half of all contractor-performed work. In such key associations as the Krymkanalstroy Administration and the Sevastopolstroy and Krymselstroy trusts, this indicator exceeds 70 percent. Improvement in collective forms of organizing and stimulating labor and of forms of socialist competition in construction made it possible to increase labor productivity in this branch by 3.5 percent compared with last year's level. The target of lowering the cost of construction work performed by contractor organizations has been met. Actual cost was reduced by 14 percent of estimated cost compared with the 11.5 percent reduction called for in the plan.

At the same time, there are many unresolved problems in this leading branch. We have not yet entirely fulfilled the plan for putting completed construction projects into operation on schedule; in a number of instances, their construction time exceeds the norm. Capital investments continue to be scattered over numerous construction projects. Construction combines and trusts are not meeting their conservation commitments and are permitting cements, metal and other materials to be expended in excess of the norm. Construction and installation work is occasionally inferior in quality.

The party obkom continuously calls the attention of the leadership of construction organizations and party committees to existing shortcomings in capital construction and demands the adoption of additional measures to fulfill plans and socialist pledges in this important sector of the work in accordance with the decree of the CPSU Central Committee and USSR Council of Ministers "On Improving the Planning, Organization and Management of Capital Construction" in order to decisively correct the state of affairs in oblast construction. We have the obligation to do our utmost to put an end to the scattering of manpower and resources, to focus them on projects nearing completion, and to reduce the volume of construction in process. To this end, we will continue to improve the organization of labor and working conditions, to improve the utilization of machinery and mechanisms, to raise quality, and to reduce cost. A decision has been made to reduce construction time to between one-third and one-half of the previous level. While this is a difficult task, its realization will enable us to carry out the tasks that have been placed before builders by the party.

The further development of agricultural product has occupied and will continue to occupy a central place in the activity of the oblast party organization. As we know, the present five-year plan launched the USSR Food Program. The joint efforts of the oblast party organization, Soviet and economic organs in the Crimea formed an oblast agro-industrial association [agroprom].

The oblast agroprom incorporates 119 kolkhozes, 155 sovkhoses, 15 mixed feed plants, 16 dairy plants, 9 meat and poultry combines, 23 juice-winery plants and receiving points, 10 canneries and receiving points, and approximately 600 other enterprises and organizations, the majority of which belong to 15 rayon agro-industrial associations (RAPO's).

Owing to the purposeful efforts of party committees at all levels and ispolkoms, cost accounting is becoming the basic principle governing the interrelations between partners of the oblast agroprom.

Enterprises servicing kolkhozes and sovkhoses returned to them 50 percent of the above-plan profit--approximately 1 million rubles in 1983 and 0.7 million rubles in 1984. The economic effect of reducing rates of costings made it possible to realize 3.2 million rubles in 1984. More efficient oversight has been instituted regarding the fulfillment of contractual commitments. Councils of agro-industrial associations regularly examine questions pertaining to the improvement of cost accounting interrelations. The financial status of kolkhozes has been improved as a result of the enormous assistance of the party and the Soviet government. The profitability of more than half of all farms is high. Practice shows that RAPO's can influence planning more actively and keep a tighter check on the fulfillment of the production program of other participants. However, we have not by any means been successful in achieving this everywhere.

The leadership of the oblast agroprom, selkhoztekhnika [association for the supply of production equipment for agriculture], selkhozkhimiya [association for the supply of chemical products for agriculture], the administration of land reclamation and water resources, "Krymplodoovoshchekhoz" [Crimean Fruit and Vegetable Industry], and other organizations must eliminate barriers to the further development of agriculture in the shortest possible time. Kolkhozes, sovkhoses, and other enterprises and organizations have indeed created a mighty production potential. Thus, since the March (1965) Plenum of the CPSU Central Committee, more than five billion rubles have been invested in the development of Crimean agriculture, thereby making it possible to increase agricultural fixed capital more than 4.5-fold, to increase energy per worker 3-fold, and to expand the area of irrigated land to 332,300 hectares or 3.7-fold. Nonetheless, the branch's increased potential is by no means always used effectively. Many farms have not as yet succeeded in attaining the projected yield on irrigated land and the level of productivity varies greatly from field to field and from farm to farm.

A unique feature of Crimean agriculture is that it is carried on in a high-risk drought zone. There is a high degree of variability in the fertility of the land. Therefore, the transformational role of reclamation is very great in our oblast. Only as a result of the construction of the North Crimean Canal has it become possible to transform oblast agriculture into a highly intensive branch of the economy. The purposeful activity of party, Soviet and



economic organs and the selfless labor of the Crimeans have made it possible to increase the rate at which agricultural products are sold to the state. In the last 15 years, grain sales increased 1.9-fold; vegetables--2.1; fruits and berries--5; milk--2; meat--3; and eggs--5-fold. The yield of agricultural crops has been raised sharply. For example, in 1984 the average yield of grain crops in irrigation farming was 48.2 centners per hectare; winter wheat--47.8; winter barley--50.3; and rice--60.4 centners.

The increased effectiveness of reclaimed land is the basis for the further rationalization of land use. This land presently comprises 19 percent of all agricultural land in the oblast and produces 90 percent of the vegetables, 74 percent of the fruit, 50 percent of the feed and 25 percent of the grain. Capital investments in irrigation have been entirely recouped. However the projected yield has been attained on only 54 percent of the land. Consequently, much will still have to be done to produce high, guaranteed harvests on irrigated land and to expand the scale of construction of water management facilities and irrigated areas in the SKK zone.

The completion of the second phase and the commencement of the third phase of the SKK are scheduled for 1986. With the activation of this water development complex, the area of irrigated land in the Crimea will be increased by another 86,000 hectares and will comprise 23 percent of all agricultural land; in keeping with the long-term program, it will total 490,000 hectares by the year 2000. By this time, one hectare in three will be irrigated thereby making it possible to increase agricultural output more than 1.5-fold.

The oblast party organization uses the full gamut of different forms in its effort to improve the utilization of land, to increase the return on the potential that has been developed on kolkhozes and sovkhoses. For example, we have instituted a precise form by which party organs monitor the introduction of innovations. Thus, on the basis of work performed at the local level, kolkhoz chairmen and sovkhos directors submit detailed reports to party raykoms on new, progressive innovations that have been made on their respective farms, on their economic effectiveness and on their innovative plans for the coming year. We are convinced that this will prompt agricultural leaders and specialists to work creatively, with initiative, and ultimately, effectively.

Reports by kolkhoz chairmen and sovkhos directors are summarized by raykoms and are submitted to the party obkom where they are carefully analyzed. Based on these reports, the bureau makes decisions together with recommendations on the dissemination of progressive knowhow in the oblast. For this purpose, the oblast agricultural administration has established a department for the organization of socialist competition and for the introduction of scientific advances and progressive knowhow. A broad network of progressive agricultural experience schools is operating in the oblast and in rayons. For example, an oblast school on producing high corn yields is held every year on the Kolkhoz imeni Kalinin in the Pervomayskiy Rayon. A school on sorghum growing is held on the Pobeda Kolkhoz in the Dzhankoyskiy Rayon; a school on growing soy beans is held at the Crimean Regional Agricultural Experimental Station. An oblast school on the effective utilization of feed in animal husbandry is functioning on the Kolkhoz imeni XXI syezd KPSS in the Krasnogvardeyskiy Rayon. The



highly effective utilization of irrigated land is studied in oblast school on the Kolkhoz imeni Krupskaya in the Nizhnegorskiy Rayon. In each district, there are 5-6 progressive knowhow schools that are attended by at least 8000 agricultural workers. Kolkhozes and sovkhoses have stepped up their work on conceptualizing and applying the experience of the best farms and rayons, leading workers, and production innovators.

In order to carry out the Food Program, oblast workers must produce at least two million tons of grain a year. This target can be met only through integrated measures: the all-round increase in yield as a result of the introduction of zonal, scientifically substantiated agricultural systems, industrial technologies, crop rotation, the effective utilization of machinery and fertilizers, improvement of the structure of crops, seed growing and other intensification factors.

Interesting efforts to find ways of accelerating intensification and of increasing the economic effectiveness of vegetable, fruit and grape growing are continuing.

In accordance with principles of the party program in the sphere of agriculture, the oblast party organization is keeping a special watch on the further development of animal husbandry in an effort to give it a stable character.

Animal husbandry is consequently being systematically converted to an intensive path of development. Reserves in this area are by no means not always fully utilized. Let us take the Sakskiy Rayon as an example. In 1983 the productivity of cows in this rayon was lower than the oblast average and totalled 2871 kilograms. The principal reasons are: shortcomings in the development of the feed base, in breeding work and failure to create good working conditions for milkmaids and other branch personnel. The rayon does not always know how to utilize progressive knowhow which is, after all, everywhere, including the Sakskiy Rayon, where 184 milkmaids produced more than 3000 kilograms of milk per cow.

The events suggest the need for the active introduction of the flowline-shop system on farms, intensive livestock fattening technologies, the development of specialization and cooperation in production, the brigade contract, and other valuable and proven innovations.

Cattle and poultry breeding are our principal meat-producing branches. Beef comprises almost half of all meat production and procurement. Meat poultry breeding, as the most dynamic, highly mechanized and automated branch, will also undergo further development. In 1984, 70,500 tons of meat of all kinds of fowl were sold to the state.

The oblast has devised an integrated program for establishing a reliable and balanced animal husbandry feed base on every farm. Feed production has become an independent, specialized branch on most kolkhozes and sovkhoses. Nevertheless, the present level of development of the feed base does not satisfy the growing needs of animal husbandry. The oblast party organization, Soviet and agricultural organs, and all workers in the agro-industrial complex are presently working on this problem.

An important place is assigned to working with agricultural cadres and to raising their vocational mastery. Weaker sectors are strengthened by intelligent, experienced officials; training is organized everywhere; and contests and certifications are held. Today, 87 percent of all main veterinarian specialists have higher education. Seventy-six percent of all livestock brigades are headed by specialists. Over 5000 workers are animal husbandrymen first and second class.

Primary party, trade union and other social organizations of late have been devoting more attention to the creation of good working, cultural and living conditions for animal husbandry workers. Better working and living conditions make it possible to interest youth to a greater degree and thereby to resolve more successfully the problem of retaining animal husbandry personnel.

One of the most important factors in increasing the economic effectiveness of agricultural production under the conditions of RAPO and one of the functions of the latter is its increased specialization and concentration. The social division of labor and the diversity of natural and climatic zones in the Crimea promoted the formation of stable, producing types of farms, each of which has a firm combination of main, additional and ancillary branches. Today the oblast has 7 large and 7 small groups of producing types of farms.

Most of the agricultural enterprises are livestock-fruit growing, livestock-grape growing, livestock-vegetable growing, livestock-grain growing, and grape and fruit growing farms. The combination of these branches has a favorable impact on the growth of output and the profitability of production. The location of producing types of farms determines the specialization of rayons. Thus the Krasnogvardeyskiy, Nizhnegorskiy, and Belogorskiy Rayons grow livestock and fruit; the Dzhankovskiy Rayon--livestock and vegetables; the Razdolnenskiy, Pervomayskiy, Chernomorskiy, and Leninskiy Rayons--livestock and grain; the Bakhchisarayskiy Rayon--grapes and fruit. The present location of agricultural production nevertheless requires its further improvement. A characteristic feature of agricultural production is that its product is distributed with due regard to the economic valuation of the land, the *fondosnashchenost* [per capita and per worker measures of the potential] of farms and regions, and their manpower supply. Specialization means the concentration of certaintypes of production on certain farms and within departments of farms.

At the present time, more than half of all fruit and berry production is concentrated on 58 farms; 45 percent of grape production--on 42 *kolkhozes* and *sovkhozes*; 48 percent of all aromatic crops--at 7 enterprises; and 80 percent of all poultry products--on 23 *sovkhozes*.

I would particularly like to discuss specialized farms. In 1984, they accounted for almost 42 percent of the oblast's gross milk output, one-fifth of its beef production and approximately one-half of its pork production. The productivity of cows on these farms was 3087 kilograms, which was 84 kilograms higher than the oblast average. The average daily weight gain of feedlot cattle is 21 percent higher than on unspecialized farms. The *Kolkhoz imeni*

XXI syezd KPSS in the Krasnogvardeyskiy Rayon, the Molodaya gvardiya Sovkhoz in the Dzhankoyskiy Rayon, the Kolkhoz imeni F. Engels in the Sovetskiy Rayon, and others can be classified under this heading. Swine on the "Dubki" Sovkhoz, which specializes in the production of pork, gain an average 457 grams a day; the sovkhos expends 6.5 centners of feed units per centner of weight gain.

Twelve specialized farms grow 35 percent of all oblast vegetables in the open ground. The average farm specializing in vegetables has an area of 450 hectares and realizes a profit of 165.5 rubles per hectare; unspecialized farms expend 1.5 times more labor and realize a profit of only 93 rubles per hectare. Thus, for example, the Saki Sovkhoz has 779 hectares under vegetables and expends only 2.8 man-hours per centner of vegetables, which is one-half of the labor expenditure on unspecialized farms; its vegetable yield is 274 centners per hectare. It realizes 543 rubles in profit per hectare of vegetables.

Of course, there are also shortcomings in the work of specialized farms. We are, for example, disturbed by the fact that only 36 percent of the oblast farms have the optimal level of concentration of grapes--500 hectares or more per enterprise; that approximately 24 percent of the orchards on oblast farms have an area less than 100 hectares; that oblast kolkhozes, which on the average plant 70 hectares of vegetables, realize a profitability of only 6 percent; and that sovkhoses belonging to the Krymptitseprom Trust and the Krymsovkhozvinprom Association, where the average farm plants fewer than 20 hectares of vegetables, even produce a surplus.

The party obkom and economic organs are taking measures to raise the level of concentration. There is still little intrafarm specialization. This target is met by RAPO's. It is appropriate to note that the existing Krymsovkhozvinprom, Massandra and Krymplodovoshchkhos Associations, the Krymskaya roza Combine and the Krymptitseprom Trust for the most part correctly understand their role in further intensifying specialization and in raising the level of concentration of production, even though there are also shortcomings in this area as well.

The centralized distribution of resources is also closely associated with these questions. We believe that at the present time, plans, ceilings on capital investments, and stocks of machinery, fertilizers and other material resources should be communicated exclusively to the RAPO's and should not be broken down by departmental channels. The association council itself should distribute resources among farms and partners.

The improvement of the management, specialization and concentration of agricultural production creates the prerequisites for the more complete utilization of cost accounting relations and for the introduction of the collective contract.

The oblast agro-industrial complex is confronted by important tasks in bringing the 11th Five-Year Plan to a successful conclusion and in fulfilling the Food Program. According to the plan for the current year, Crimean farm and field workers should sell the state 750,000 tons of grain, 335,000 tons of



vegetables, 347,800 tons of fruit and berries, 338,000 tons of grapes, 184,000 tons of meat, 670,000 tons of meat, and many other agricultural products. And they, perceiving the party's plans as their own vital cause will spare neither effort nor energy to fulfill them.

The conversion of the economy to the intensive path of development based on the acceleration of scientific-technical progress necessitates the rational use of labor resources. The new conditions of management require a new, scientific approach not only to the organization of production, but also to the problem of improving the organization of labor, the system of wages and work incentives. As we know, the broad application of brigade forms of labor organization in industry and the collective contract in construction and agriculture is one of the important means of resolving this problem.

The significance of labor collectives as educators, mentors and organizers of shock work in Crimean Oblast is steadily growing with each passing year. The influence and strength of production brigades are also growing. Their conversion to the collective form of labor is a matter of great importance. Statistical data show that the number of brigades in oblast industry increased by 15 percent and totalled 9500 during the first 4 years of the current five-year plan. At the beginning of 1984, 7.1 percent of oblast workers belonged to brigades compared with 53.8 percent at the beginning of 1981. The qualitative composition of the brigades has improved substantially as a result of the purposeful work of party committees, primary, trade union and Komsomol organizations, and economic managers. The number of small brigades has declined. There has been an increase in the number of integrated brigades (46.6 percent); in the number of brigades working on the basis of a single contract (80.1 percent); in the number of brigades working under a single contract and the coefficient of labor participation (KTU) (64.7 percent); and in the number of cost accounting brigades (13.8 percent).

The brigade method is developing and improving. Specialized, integrated, and integrated-utility brigades work very effectively under single contracts. The latter work in two and three shifts and frequently encompass the entire production cycle for a given product. In the Simferopol Pnevmatika Science-Production Association, for example, these collectives do not waste time on shift changes, their condition is in the best technical conditions, and their output quality is the highest. All work at another Simferopol enterprise--the electrical machine building plant, where output bearing the state Quality Emblem reached the 90 percent mark at the end of 1984, is uniform and rhythmic.

At this plant, there are no idlers during working hours and smoke breaks have disappeared. Lunch break is strictly according to schedule and it is mandatory that everyone clean up his workplace. The plant's workers and engineering-technical personnel have a sense of collectivism and responsibility for the common cause. What determines the high discipline and organization of the plant's staff? The plant's party bureau considers the introduction of brigade forms of labor organization to be the principal guarantee of success. The plant has established 51 brigades that unite more than 90 percent of all the workers. Forty-eight brigades are paid on the basis of the end result and wages are distributed according to the coefficient



of labor participation. Special attention is devoted to the specialization of sectors and shops, to the establishment of rational production zones for brigades. The norming of labor is being improved, cost accounting is being introduced, and a favorable moral and psychological atmosphere is created. The brigades are formed in such a way as to ensure the maximum effectiveness of utilization of the sophisticated equipment installed in the shops. More attention is devoted to the screening and placement of brigade leaders who are systematically trained.

The efforts of the party organization and the deep interest of each plant worker enabled the collective to significantly surpass plan targets for all technical and economic indicators for 4 years. At the same time, wages rose by 11.4 percent and losses of working time were almost halved.

The effectiveness of work under the cost accounting principle can also be judged on the basis of the experience of a Simferopol plastic accessories factory belonging to the Ukrainian SSR Ministry of Light Industry, where all brigades, incorporating 79 percent of the total work force, have been converted to cost accounting. Foreman-brigade leader V. N. Klyukova heads a leading integrated brigade. The brigade fulfills its monthly targets by 115-120 percent, all members of the collective master two or three allied occupations, and brigade effectiveness records are kept. In the competition for economy and thrift in every workplace, 5200 kilograms of molding material have been economized by the brigade since the beginning of the five-year plan. The brigade is staffed by 60 persons, which is 11 persons less than the calculated number. Labor productivity in 1984 increased by 16.8 percent compared with the enterprise average: 8 percent. The brigade has been awarded the honorary titles: Collective of Communist Labor and Collective of Highly Effective and High-Quality Labor.

Of late, there has been an appreciable increase in the party's influence on the activity of the brigades. For example, in 1984 203 leading workers belonging to production brigades, including 52 brigade leaders, were admitted to party membership at Simferopol industrial enterprises alone. During the report and election period, the brigades created 115 party groups, which was twice as many as there had been at the beginning of the year, and 63 party commissions to monitor the administration's activity in introducing the brigade form of labor organization. In brigades in which one or two communists are working, party-Komsomol groups are established; if there are no communists, primary party organizations appoint party organizers.

More attention is now devoted to raising vocational mastery and to increasing the political and economic knowledge of brigade leaders. A training system has been established for them under party gorkoms and raykoms.

Trade union obkoms together with economic organs have designated for their branches 41 base enterprises for developing the most effective forms of brigade labor organization and work incentives. The great majority of brigades have established trade union groups. The organization of socialist competition among production brigades is being improved. Many collectives have revised the terms of the competition and have increased their orientation the attainment of end results. Party and Soviet organs have raised their

demands on economic managers to create the necessary conditions for the brigades' highly productive work and to closely coordinate the development of the collective form of labor with measures to improve the organization of production and the material and moral incentives of the working people.

The development of brigade forms of labor organization and the implementation of the principles of the law on labor collectives played a large part in strengthening socialist labor discipline and made it possible to improve the utilization of labor resources significantly. Nonproductive losses of working time declined by one-half throughout the national economy as a whole between 1980 and 1984 and personnel turnover declined by one-fourth.

In addition to the broad introduction of advances of scientific-technical progress in production--labor-saving technologies, NC machine tools, robotics, etc.--much attention is devoted to reducing manual labor and to improving the norming and organization of labor. During the years of the current five-year plan, 27,000 persons were converted from manual to mechanized labor. The share of technically substantiated output norms, which has now reached the 78.5 percent mark, is rising each year. All this has created prerequisites for the successful fulfillment of current plans and five-year plan targets for the economic and social development of the oblast. State planning discipline has been raised especially among enterprises operating under the conditions of the economic experiment. The number of enterprises failing to meet the plan targets has been reduced.

As noted above, collective forms of labor organization and incentives are very important in construction. It was specifically in construction the brigade contract appeared for the first time. In 1983, labor productivity in cost accounting brigades was almost 40 percent higher than the branch average. The total duration of housing construction by these brigades declined by 2000 days and the cost of construction declined by 2.4 percent compared with the plan or by almost 4 million rubles.

Of course, notwithstanding what has been accomplished, not everything is as we would like to see it. With regard to the rational utilization of labor resources, there are still many problems that we are continuing to work on. The oblast is remiss in introducing the experience of workers at the Dnepropetrovsk Combine Plant in certificating and rationalizing jobs. There are several reasons for this. One reason is the lack of sufficient initiative at the local level. On the other hand, some ministries and departments have not precisely defined the deadline for performing this work or else have drawn it out for 2-3 years (the Ministry of the Chemical Industry, for example). A number of them have still not provided subordinate enterprises and farms with appropriate methods.

The departmental approach to the utilization of existing production capacities, which leads to the creation of superfluous jobs and hence to the underutilization of capacities, is seriously detrimental to the rational use of the labor potential. As a result, equipment is not operated in a larger number of shifts in general and the output-capital ratio is not rising. Shortcomings in material-technical supply frequently disrupt the work rhythm

of enterprises and nullify the effectiveness of the brigade form of labor organization.

The number of construction projects simultaneously in progress is being reduced at a slow rate and the fact that construction time is very long also leads to the irrational use of labor resources. Oblast party, Soviet and economic organs are aware of these and other shortcomings and are taking the necessary measures to eliminate them.

As regards collective and state farms, which probably have the most favorable conditions for the broad introduction of this progressive form of labor organization and wages, the impetus for its introduction was provided by the 10 May 1983 decree of the Bureau of the Crimean Oblast Committee of the Ukrainian Communist Party "On Strengthening Organizational Work on the Introduction of a Collective Contract in Kolkhoz and Sovkhoz Production." Each sovkhoz and kolkhoz has been assigned targets for the year 1985. Specialists of kolkhozes, sovkhozes and agricultural organs have received instruction on questions pertaining to the collective contract. In order to render practical assistance, the party obkom has conducted oblast scientific-practical conferences and the oblast agricultural administration has published recommendations on the introduction of the collective contract into crop production and animal husbandry, taking the specific conditions of the oblast into account.

Large-scale explanatory work; the dissemination of the experience of the best collectives--the Risovyy Sovkhoz in the Razdolnenskiy Rayon, the Kolkhoz imeni Kirov and the Rodina Sovkhoz in the Krasnogvardeyskiy Rayon, the Vinogradnyy Sovkhoz-Plant, the Sovkhoz-Plant imeni S. Perovskaya, and the Krymsovkhozvinprom Association; and publicity surrounding the activity of the best brigades and links in the periodical press have made it possible to increase the number of contract collectives. The number of contract brigades and links increased from 739 in 1983 to 1385 in 1984. Almost 24 percent of the arable land, including 34 percent of the irrigated land, has been assigned to them. Average annual output per person working on a contract basis crop production in 1984 was 10,800 rubles compared with the oblast average of 5400 rubles; in animal husbandry--16,400 rubles compared with the oblast average of 6900 rubles. Good results have been obtained in the Krasnogvardeyskiy, Simferopolskiy and Razdolnenskiy districts.

As a form of labor organization, the collective contract is based on the more precise division of labor and cooperation in labor and on rational principles of production organization: proportionality, continuousness, coordination, rhythm, and the specialization of labor functions. Also seen are such positive trends as the strengthening of labor discipline, the expansion of self-management status, the inculcation of conscientiousness and responsibility, and the increased solidarity of collectives operating on a contract basis. Its social significance is manifested therein. But the introduction of this progressive form of wages is also encountering obstacles. The degree of effectiveness of the brigade contract is in large measure determined by the level of supply of kolkhozes and sovkhozes with agricultural machinery and spare parts, the orders for which are by no means always entirely filled.



Scientific institutions and industrial enterprises must earnestly concentrate on supplying agricultural enterprises with more highly productive machinery so that they can totally mechanize labor-intensive processes, because collectives operating under the new system are frequently diverted to other work sectors, which reduces their material interest in the end results of their labor and sometimes even leads to their disintegration. On some farms that are faced with a manpower shortage, the administration is unable to assign personnel to a certain, regular work sector; it is not always possible to supply the labor collective with everything indicated on the flowsheet on schedule and hence there are instances when the administration fails to fulfill the terms of the contract; sufficiently substantiated norms are lacking for taking into account differences in the skill levels of personnel in irrigation agriculture and this makes it difficult to apply the coefficient of labor participation.

The oblast party organization is taking measures to eliminate these shortcomings.

The system of base farms plays a certain part in the dissemination of progressive experience in the rationalization of the corresponding links in the production process. Thus, for example, the Vinogradnyy Sovkhoz-Plant has become an oblast school on the collective contract, a school of exemplary economic service and management of agricultural production. Farm managers and chief specialist study the introduction of the rational organization of labor in seminars organized by it. All production subdivisions of the sovkhoz-plant operate under the terms of a collective contract. The contract covers, in addition to basic production, repair shops and other service branches and a processing plant. All this makes it possible to increase the responsibility of every labor collective for its performance and for highly profitable production. The level of profitability in 1984 was 52 percent.

The broad introduction of the brigade form of labor organization and work incentives brooks neither undue haste nor unjustifiable slowness. Oblast party committees have a clear understanding of their objective: to convert all workers to progressive forms of work for the most part already in 1985. The transition to the brigade method of labor affects people's vital interests and involves a fundamental change in their thinking. Therefore, we encourage party organizations to engage in painstaking explanatory work so that the working people would be fully aware of the importance and advantage of forming production brigades.

Kernels of initiative and creativity germinate where there is a proper nutrient medium. Therefore, we try to develop in every labor collective an effective system of economic measures promoting the introduction of the new and the progressive; we establish clearly defined party oversight over their implementation. We strive to see to it that party organizations, using various forms and methods of party organization work, actively promote the sense of personal responsibility of each worker for the activity of his collective. After all, primary party organizations are our support in the struggle for scientific-technical progress, for raising the effectiveness of the return on the production, scientific-technical and labor potential that we have at our disposal. "Party policy here," it was noted at the April (1985)

Plenum of the CPSU Central Committee, "is embodied in real activities. Our successes and shortcomings, our potential and reserves stand out in especially bold relief here."

The successful struggle for the maximum utilization of all possibilities for increasing production and for raising its effectiveness is unthinkable without a proper policy on cadres, without the continuous improvement of all party work with cadres. The tasks that were placed before the oblast party organization in this regard by the March (1985) Plenum of the Ukrainian CP Central Committee require the further strengthening of the cadre potential. The realization of these tasks will help us to significantly improve the management of the intensification of industrial and agricultural production, to secure high results in the execution of the program outlined by the 26th Party Congress and in the future to fulfill the plans that will be indicated by its next, 27th Congress.

#### FOOTNOTES

1. PRAVDA, 11 December 1984.
2. Ibid., 24 April 1985.
3. Ibid., 12 March 1985.
4. The penchant for building only health resort dormitories was one of the serious shortcomings of recent years. The integrated approach to health resort construction, which has now been affirmed, requires the rational siting and development of health resort regions, of individual sanatoria, and, simultaneously, service facilities for the population and vacationers.
5. V. I. Lenin, "Polnoye sobraniye sochineniy" [Complete Collected Works], Vol 36, p 173.
6. Construction of the SKK began in 1961. Its first phase with an irrigation area of 189,000 hectares was commissioned in 1977. The second phase has been under construction since 1978. Its principal facilities were put into operation in 1984. The connecting canal is 42 kilometers long and each of the four pumping stations has a capacity of 105 cubic meters a second.
7. PRAVDA, 24 April 1985.

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## LABOR

### GOSPLAN OFFICIAL ON LABOR PRODUCTIVITY RESULTS

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 6, Jun 85 pp 49-60

[Article by D. Ukrainskiy, department chief of the USSR Gosplan: "Work Results Under New Conditions"]

[Text] Centralized planning at the present stage, in addition to management forms and methods which have proven worthwhile, must to a greater extent than before originate from active creative participation of labor collectives in developing a state plan and raising their responsibility in the course of its fulfillment. In this connection, the CPSU Central Committee and the USSR Council of Ministers adopted a resolution in 1983 on conducting corresponding economic experiments at enterprises of five ministries as of 1 January 1984.

At the present time, it is possible to sum up some preliminary results of the past stage of the experiment.

Of interest in the period of work on drafts of the plan for 1986 and the regular five-year plan is the data on fulfillment of plan indicators under new conditions and effectiveness of the new economic mechanism introduced into practice. Therefore, it is expedient to begin the analysis of the effect of economic experiment conditions from the preplanning period. In September 1983, enterprises, participating in the experiment, received from ministries, which in turn received from the USSR Gosplan the control figures for the 1984 draft plan. The minimal composition of indicators: production output in physical terms for consolidated (group) products list, limit of basic physical resources. At the same time, economic norms for wages and economic incentive, science development and other funds were provided for in the finished control figures.

The purpose of quantitative indicators is to establish a basis for balancing state plan tasks in the consolidated products list to specific, contractual ones at the level of suppliers and consumers by taking allocated physical resources into consideration. A production program worked out in detail and balanced with respect to supply and marketing also ensures determination of other plan sections of enterprises.

Economic norms are called upon to motivate enterprises both during the draft plan development stage and in the course of its fulfillment to turn out more



production of best quality and with a minimum of expenditures. The norms must be promptly conveyed to ministries and enterprises during the preplanning period and be invariable for a number of years (five-year period).

The questions with respect to the mechanism of action of economic norms under conditions of the experiment were elucidated on the pages of the journal *PLANOVOYE KHOZYAYSTVO*. It was noted that the experiment creates realistic conditions for developing a production program which satisfies the requirements of clients to the maximum and concentrates workers' attention and initiative on efficient utilization of manpower, physical and financial resources.

For the purpose of strengthening the economic incentive of collectives of enterprises in successful fulfillment of plan tasks, it has been provided that during fulfillment of contractual commitments for deliveries of production the economic incentive funds are increased by 15 percent and are reduced by 3 percent per 1 percent of nonfulfillment. Every percent of reduction in the production cost gives a right to increase the economic incentive fund by 5 percent and 1 percent of increase in labor productivity means a 4 percent rise in the sociocultural measures and housing construction fund. The volume of wage funds is linked to basic final results of economic activity of enterprises. The system of their formation is simple, since norms do not change depending on the economic situation of enterprises linked to fulfillment of annual plans. They contain much larger and stable categories--the proportions of a five-year plan. Due to this fact the interests of the basic form of state planning and the current economic activity of an individual enterprise draw closer during the entire plan period.

The list of economic norms and their proportions for 1984-85 are given in Table 1.

Table 1. (in percent)

		(1) Размер норматива	
		(2) Минтяж- маш	(3) Миньэлектро- техпром
(4) Норматив прироста:			
(5) фонда заработной платы промышленно-производственного персонала — за каждый процент прироста НЧП . . . . .	—	0,53	
(6) объема затрат на научно-исследовательские, опытно-конструкторские и технологические работы . . . . .	—	100	
(7) фонда материального поощрения действующих производственных объединений — за каждый процент снижения предельного уровня затрат	5	5	
(8) фонда социально-культурных мероприятий и жилищного строительства — за каждый процент производительности труда . . . . .	4	4	
(9) фонда развития производства — каждый процент прироста прибыли . . . . .	1	1	
(10) Норматив фонда заработной платы промышленно-производственного персонала — на 1 руб НЧП	47,26	—	
(11) Норма образования:			
(12) единого фонда развития науки и техники — к объему продукции . . . . .	6,06	3,86	
(13) фонда заработной платы работников научно-исследовательских организаций к объему научно-исследовательских, опытно-конструкторских и технологических работ . . . . .			
(14) Норматив амортизационных отчислений, предназначенных для полного восстановления основных фондов — за каждый процент прироста указанных отчислений . . . . .	51,4	36,3	
	1	1	

Key:

1. Norm proportion
2. Mintyazhmash [Ministry of Heavy and Transport Machine Building]
3. Minelektrotekhprom [Ministry of the Electrical Equipment Industry]
4. Norm of increase:
5. wage fund of industrial-production personnel--for each percent of NChP [normative net production]
6. volume of expenditures for scientific research, experimental design and technological work
7. economic incentive fund of operating production associations--for each percent of reduction of maximum level of expenditures
8. sociocultural measures and housing construction fund--for each percent of labor productivity
9. production development fund--for each percent of increase of profit
10. Wage fund norm of industrial-production personnel--per R1 of normative net production
11. Formation norm:
12. unified science and technology development fund--to volume of production
13. wage fund of workers of scientific research organizations--to volume of scientific research, experimental design and technological work
14. Norm of amortization deductions, earmarked for complete restoration of fixed capital--for each percent of increase of indicated deductions

The first results of the experiment already came to light before the beginning of the year. Ministries and then the USSR Gosplan received draft plan indicators from the majority of enterprises, which were close to control figures.

A distinctive feature of the 1984 preplanning period was that the USSR Gosplan decided to develop the plan according to limits of physical resources at the previous year's level, that is it was provided that the entire increase of production was to be obtained through economizing. A similar requirement was also made of manpower resources, that is the entire increase of production was to be ensured through increased labor productivity. Therefore, the fact that ministries have reached the level of control figures and calculations of the USSR Gosplan for the draft plan must be regarded as a definite success of the new method of its development. Ministries and enterprises turn to the USSR Gosplan and the USSR Gosplan for the solution of controversial questions between consumers and suppliers and for the replacement of production not needed by clients with other production which they need. It is important that this work was conducted mainly before the beginning of 1984, although the preplanning period for development of the draft plan for the past year was insufficient. The average annual rates of increase in the volumes of production, labor productivity and profits for the period from 1978 to 1984 attest to the objective appraisal of the preplanning period by ministries (Table 2).

Table 2. (in percent)

(1) Показатель	(2) Минтяжмаш		(3) Минэлектро- техпром		(4) Минэлектро- БССР		(5) Минэлектро- УССР		(6) Минэлектро- ЛитССР	
	1978- 1983 гг	1984 г.	1978- 1983 гг	1984 г.	1978- 1983 гг	1984 г.	1978- 1983 гг	1984 г.	1978- 1983 гг	1984 г.
(7) Объем производ- ства . . . . .	3,4	4,9	2,5	4,7	2,6	3,5	1,6	2,5	4,2	4,5
(8) Производитель- ность труда . . . . .	5,4	4,7	3,7	5,4	2,5	3,4	1,5	2,0	2,1	3,1
(9) Прибыль . . . . .	9,3	17,3	5,1	12,4	8,6	4,5	-2,5	7,2	5,3	11,3

**Key:**

1. Indicator
2. Ministry of Heavy and Transport Machine Building
3. Ministry of the Electrical Equipment Industry
4. BSSR Minlegprom [Ministry of Light Industry]
5. UkSSR Minpishcheprom [Ministry of the Food Industry]
6. LiSSR Minmestprom [Ministry of Local Industry]
7. Volume of production
8. Labor productivity
9. Profit

In analyzing the data it must be borne in mind that so far not all enterprises are fully using the possibilities provided them under conditions of the experiment in the field of rights and responsibility. Moreover, the results of influence of stimulating factors of the experiment such as the growth of production development, sociocultural measures and housing construction, measures for stimulating scientific and technical progress and other funds, whose "yield" is calculated for a much longer period, could not have been taken into account at the present stage. However, in spite of this certain conclusions can be made.

The composition of control figures, which is necessary for enterprises to begin work on the draft of a state plan, can be minimal and conveyed by the USSR Gosplan to ministries in advance. The work experience on the draft plan for 1985 for ministries participating in the economic experiment has indicated a real possibility of developing and finishing control figures in April of the year preceding the plan year. In developing five-year plan indicators the period can be increased. In so doing it is important that a direct prolonged form of economic relations is actively used.

Economic norms, which are confirmed for enterprises for a number of years and prior to the beginning of a plan period, promote fuller subordination of economic activity of enterprises to state interests.

Decisions on the composition of control figures, their magnitude (including economic norms), periods and content of individual stages of work on a draft plan and their executors can be adopted by the USSR Gosplan independently or jointly with other central departments. Moreover, the active form of the preplanning period, which concludes with a contractual campaign, makes it possible for higher organizations and enterprises to promptly eliminate some slip-ups in production and marketing which under the usual plan development technology are eliminated during the process of its fulfillment.

Thus, an objective necessity was discovered during the course of the economic experiment for raising the role of the USSR Gosplan as an active organizer of work on the draft of a state plan for a longer span of time than before. For the first time beginning with the preplanning period a direct and reverse link was created at all levels of production management. As a result, there appeared a possibility to control the progress of plan fulfillment not from January of the year under review, but much earlier--on the basis of the recurrent plan of enterprises and ministries (according to the technology established for the experiment--to 1 August of the year preceding the plan year).



It is precisely such planning methods, broad use of economic norms and efficient forms of economic incentive that have made it possible for enterprises to draw up a comprehensive plan, which was coordinated with basic parts of the draft on the basis of the plan for real composition of production and provided with physical resources. Other parts were calculated on this basis.

The majority of enterprises have considerably changed the composition of production during the preplanning period in favor of high quality production needed by clients, which was improved in the course of plan fulfillment.

The rates of production growth and the change in the composition of production in favor of clients (1984 plan) are reflected below (in percent).

	<u>Production growth rates of commodity production</u>	<u>Including with mark of quality, with N index</u>
Ministry of the Electrical Equipment Industry	104.7	104.4
Ministry of Heavy and Transport Machine Building	104.9	110.6
UkSSR Ministry of the Food Industry	102.5	118.0
BSSR Ministry of Light Industry, including items with N index of partic- ularly fashionable production	103.5 2.9-fold	110.5 139
LISSR Ministry of Local Industry, including production from local raw materials	104.5 --	-- 115.7

An analysis of the data of the five ministries attests to improvement of the confirmed indicators. Let us examine the basic ones among them.

The use by enterprises of the rights granted to them in developing a production program, which takes into account the interests of consumers and prompt and complete fulfillment of contractual commitments, has changed the attitude of enterprises toward the discipline of deliveries. Thus, the UkSSR Ministry of the Food Industry, the BSSR Ministry of Light Industry and the Lithuanian SSR Ministry of Local Industry have fulfilled their commitments for deliveries by 100 percent, the Ministry of Heavy and Transport Machine Building by 99.2 percent and the Ministry of the Electrical Equipment Industry by 99 percent. In order to reduce the shortfall in production deliveries in 1 year, for example, in the Ministry of Heavy and Transport Machine Building to one-sixth and in the Ministry of the Electric Equipment Industry to one-third, enormous organizational work was required which fundamentally changed the attitude toward production and delivery of products.

Under conditions of the experiment it is a question, first of all, of products needed by consumers and not of mechanical expansion of active production, that is of the "breakup" of traditional methods and complete fulfillment of commitments made to partners. It is precisely on this plane that the problem of rights and responsibilities of enterprises is being solved.

However, prompt fulfillment of commitments for deliveries requires further improvement of planning in this direction. Thus, fulfillment by 100 percent of contracts in the aforementioned three ministries now depends to a great degree on the period when the order of calculating fulfillment of deliveries according to the group products list is used. In the future the products list will, of course, be expanded and in the long-term satisfaction of the population's needs in necessary, broad variety of production will be linked with improved work of industry and introduction of more improved forms of activity of trade organizations both when the products are ordered and when they are sold.

The granting of rights to food industry enterprises of the Ukrainian SSR to sell production, which was not selected on allocated funds in the course of 1 month, to other trade organizations and to apply it toward fulfillment of deliveries had a positive influence on improving fulfillment of commitments for deliveries of production. During the experiment, R190 million worth (in retail prices) of such production was delivered.

Methodical shortcomings have also been discovered. Thus, enterprises, which fulfill completely their commitments for deliveries (quarterly period of calculation), pay fines for violation of existing legal shipment provisions (monthly, providing for a uniform shipment routine, regardless of the form of production delivery, its payment and so forth). It is necessary, at last, to solve the question on the role of indicators of production output in physical terms and fulfillment of commitments for deliveries. The point is that the first indicator is confirmed by a higher organization and the second one is determined independently by an enterprise on the basis of the confirmed marketing volume and according to the amount of shortfall in delivery of production. Thus, the indicator for production in physical terms is taken into account for production, and the indicator for fulfillment of commitments for deliveries of production. Naturally, it is only because of this reason that they may not coincide. Moreover, some production gets into reserve; it is not distributed at the same time; some enterprises, which refuse to conclude contracts, do not notify organs of the USSR Gosplan of this and so forth. Evidently, the plan for output of production in physical terms, including assignments for new equipment, must be fully reflected during the preplanning period in contracts and orders accepted for fulfillment.

The question of direct extended economic relations in industry as a whole and at those enterprises where the economic experiment is being conducted also requires further improvement. The USSR Gosplan has reduced work on this question as usual to extended assignment of partners, keeping for itself the functions of an intermediary during distribution of annual orders. An analysis has shown that insufficient development of direct extended

economic relations reduces the role of enterprises (including major ones) in the production process and, first of all, in the output of new equipment at a time when it is necessary to solve many production questions through combined efforts of associated enterprises and not to divide them artificially on the basis of forms of material and technical supply, which were created back in the periods of acute shortage of an overwhelming quantity of production.

Examples have been cited in economic literature of refusal by suppliers to conclude contracts, which had a negative effect upon expansion of independence of consumer enterprises. The experiment does not presume such independence, since it has "blended in" with existing conditions of production delivery which provide for definite obligations of the sides. One of them is prompt issuing of orders. If this condition is violated, the supplier has a right to refuse to conclude a contract or accept an order for fulfillment and to postpone the delivery period. The experiment shows that it is not to an enterprise's advantage to refuse fulfillment of orders inasmuch as calculation of this indicator is carried out by a running total. Enterprises are interested in concluding contracts for production delivery as early as possible, but periods for receiving orders are still frequently violated, lack of balance with respect to sets of products crops up and so forth. Conditions of the experiment contribute to discovering these shortcomings before the beginning of a planned period and to timely preventing of possible violations.

The positive result for all five ministries consists in the fact that indicators for increasing labor productivity, reducing production costs and increasing profits were fulfilled, which is attested to by the data in Tables 3 and 4.

Table 3. (in percent)

	<u>Labor productivity to previous year</u>		<u>Production growth by virtue of increased labor pro- ductivity</u>	<u>Average scheduled number of industrial- production personnel (calculation to plan)</u>
	<u>Plan</u>	<u>Actual</u>		
Ministry of Heavy and Transport Machine Building .....	104.7	105.8	100	99.4
Ministry of the Electrical Equipment Industry .....	105.1	107.4	100	99.2
UkSSR Ministry of the Food Industry.....	99.1	101.9	100	99.5
BSSR Ministry of Light Industry..	102.5	105.8	100	99.2
LISSR Ministry of Local Industry.	102.4	104.7	100	99.5
Industry--in all.....	103.4	103.8	93	--



The entire increase in production, which exceeds the average rate for the previous 5 years, was achieved by virtue of increased labor productivity. Thus, one of the basic provisions of the experiment--on increasing the output of necessary production with the least number of workers--was realized in practice.

The economic norms of wages and the economic incentive fund fully guarantee for labor collectives an increase of funds for wages and depend on the final results of their work. The entire amount of saved wages, including wages economized on the number of industrial-production personnel, remains at the disposal of an enterprise. In effect, enterprises are operating on the principle of a collective contract--according to the final result. An efficient system of using economized funds for additional payments to workers for highly productive labor (at the discretion of enterprise management and trade union organization) has been organized. Moreover, economic measures for best utilization of manpower resources are efficiently combined with organizational ones. Thus, the number of brigades working according to a unified job authorization with payment for final labor results has increased in all five ministries.

The increase of labor productivity by virtue of these and other factors has made it possible for the ministries, which participate in the experiment, to operate with a smaller number of employed in the first year than in 1983 or as provided for in calculations to the plan and with considerable growth of industrial output. For example, there were 7,200 less workers at enterprises of the Ministry of the Electrical Equipment Industry in 1984 and 2,400 less in the UkSSR Ministry of the Food Industry.

Inspections at the local level have shown that the increment norms of wage increase did not change in 1984. Fulfillment and overfulfillment of the production output plan during reduction in the number of workers has provided additional savings of the wage fund, which were partially used by enterprises for establishing supplementary payments for holding two jobs and allowances. In this case the growth of labor productivity surpassed the growth of average wages and expenditures for wages in production costs were lower than the ones planned and below the 1983 level (Table 4).

Table 4.

Expenditures for wages, including payments from the economic incentive fund per R1 of production, kopecks			
	<u>1984 plan</u>	<u>1984 actual</u>	<u>1983 actual</u>
Ministry of Heavy and Transport Machine Building.....	53.4	53.4	54.2
Ministry of the Electrical Equipment Industry.....	55.7	54.6	55.9
UkSSR Ministry of the Food Industry...	5.64	5.48	5.40
BSSR Ministry of Light Industry.....	44.9	43.9	44.0
LtSSR Ministry of Local Industry.....	22.7	22.5	22.6

An increase of wages which depends on the final production results and the right to keep amounts in reserve have created a confidence of enterprises in the necessity of retaining a part of the savings of the wage fund for the following year. The five ministries saved a wage fund in the amount of R27 million after paying supplementary payments and allowances.

Despite positive results in the use of manpower resources, the forms of planning wages and means for the economic incentive fund as well as control over their expenditure require further changes.

A considerable growth of average wages compared with the previous period exists in the ministries which are operating under the experiment conditions. In 1984, unlike previous years, the ministries were fulfilling all plan indicators, and under these conditions the average wages have also increased by virtue of producing new equipment and commodities of improved quality, economizing physical resources, reducing production costs and so forth. But these factors have no effect upon the labor productivity indicator. Naturally, in the following year the growth rates of wages may drop, since the counting out will be carried out from the level of the year in which all indicators were fulfilled.

Obviously, wages cannot be further dispersed through most varied channels and control cannot be conducted only in correlation to the growth of the wage fund and labor productivity, since it does not reflect many kinds of wages. In our opinion, it is expedient to check out in practice the system of wages according to a unified norm with abolition of its other forms.

In determining the growth rates of labor productivity it is expedient to use the net production indicator, which is capable of reflecting not only the volume of production but also the economizing of social labor and the changes in the structure of expenditures for sets of products. Suffice it to say that by increasing the share of sets of products in the overall volume of production the expenditures for wages in the Ministry of Heavy and Transport Machine Building were supposed to be additionally reduced by R0.17 and in the Ministry of the Electrical Equipment Industry by R0.14, which in an absolute sum would have respectively amounted to R16.2 and R17.4 million or to a reduction of the wage fund by 1.5 and 0.9 percent. Under conditions of the scientific and technical progress the share of sets of products in overall expenditures is constantly increasing, and this fact cannot be ignored.

The ministries, which are participating in the experiment, have ensured fulfillment of established plan tasks for production costs of commodity production, whereas in the previous years in the Ministry of Heavy and Transport Machine Building and the UkSSR Ministry of the Food Industry the actual production costs were higher than the planned ones. In 1984, the five ministries obtained savings in the amount of R167 million. The savings (-) or over-expenditure (+) in percent to the planned production cost for the ministries in the 1983-84 period are reflected below.

	<u>1983</u>	<u>1984</u>
Ministry of Heavy and Transport Machine Building	+0.2	-0.5
Ministry of the Electrical Equipment Industry	-0.3	-0.5
UkSSR Ministry of the Food Industry	+1.2	-0.6
BSSR Ministry of Light Industry	-0.2	-0.6
LiSSR Ministry of Local Industry	-0.6	-0.5
Industry--in all	-0.1	-0.3

It is important that the plan for this indicator was fulfilled by an overwhelming number of enterprises: 93 percent in the Ministry of Heavy and Transport Machine Building, 87 percent in the Ministry of the Electrical Equipment Industry, 98 percent in the UkSSR Ministry of the Food Industry, 94 percent in the BSSR Ministry of Light Industry and 91 percent in the Lithuanian SSR Ministry of Local Industry.

The increased production marketing volumes and reduced expenditures in amounts which exceed the planned ones have ensured overfulfillment of tasks for profits in all five ministries. A considerable growth in profits compared with the previous year was achieved. Fulfillment of the plan by ministries (in percent) is cited below.

	<u>1983</u>	<u>1984</u>
Ministry of Heavy and Transport Machine Building	118.3	107.1
Ministry of the Electrical Equipment Industry	-0.3	-0.5
UkSSR Ministry of the Food Industry	104.5	107.3
BSSR Ministry of Light Industry	107.3	106.7
LiSSR Ministry of Local Industry	109.9	108.7

The use of stable norms in the formation of incentive funds of associations (enterprises) had a substantial effect upon their economic incentive in the growth of labor productivity, reduction of production costs and increase of profits. These indicators are fund forming ones: the amount of an economic incentive fund directly depends on the work of enterprises aimed at reducing production costs and the sociocultural measures fund in the Ministry of Heavy and Transport Machine Building and the Ministry of the Electrical Equipment Industry on the growth of labor productivity and profits in the republic ministries. Obviously, difficulties will arise in determining the size of norms during establishment of economic norms for the 12th Five-Year Plan. Therefore, further increase of the wage, sociocultural measures and housing construction funds depends upon efficient utilization of physical, manpower and financial resources. Results have shown that labor collectives which have achieved high final results are under the best conditions.

The increase of deductions in the economic incentive fund is characterized by data in Table 5.



Table 5. (in millions of rubles)

	(1) Минтяж- маш	(2) Минтяж- ротекпром	(3) Минтяж- пром УССР	(4) Минтяж- пром БССР	(5) Минтяж- пром Лит. ССР
(6) Рост производительности труда . . . . .	0,5	1,3	-	0,2	-
(7) Удельный вес продукции высшей кате- гории качества . . . . .	-	0,3	0,8	-	-
(8) Снижение себестоимости . . . . .	1,0	6,6	0,1	-	-
(9) Выполнение поставок . . . . .	2,5	5,7	4,2	2,3	0,3
(10) Производство товаров народного пот- ребления на рубль заработной платы . . . . .	1,1	2,8	-	-	-
(11) Удельный вес изделий народного пот- ребления высшей категории качества за счет:					
(12) сверхплановой прибыли . . . . .	-	1,1	2,1	1,7	0,4
(13) дополнительной прибыли от реали- зации новой высокоэффективной продукции со Знаком качества . . . . .	13,5	19,4	-	-	-
(14) прибыли, полученной от фактическо- го снижения себестоимости про- дукции в результате использова- ния решений по внедрению новой техники . . . . .	3,2	10,4	1,3	0,2	0,2

## Key:

1. Ministry of Heavy and Transport Machine Building
2. Ministry of the Electrical Equipment Industry
3. UkSSR Ministry of the Food Industry
4. BSSR Ministry of Light Industry
5. Lithuanian SSR Ministry of Local Industry
6. Growth of labor productivity
7. Relative share of production of highest quality category
8. Reduction of production cost
9. Fulfillment of deliveries
10. Production of consumer goods per ruble of wages
11. Relative share of consumer goods items of highest quality category by virtue of:
12. profits in excess of plan
13. additional profits from the realization of new highly efficient production with mark of quality
14. profits obtained from actual reduction of production costs as a result of using decisions on introducing new equipment

The share of the economic incentive fund connected with the work results of enterprises in the field of new equipment has been considerably increased. At the same time, there was no substantial change in the increase of new production output, which is essential for the national economy, in the past period. One of the reasons is that during the development of the draft plan for 1984 the method of drawing up a plan for new equipment was unknown.

Enterprises received assignments for new equipment in the composition of the confirmed plan, that is in the course of its fulfillment, and measures for their realization were developed during the first quarter of 1984 isolated from other parts of the plan.

The experience of shortfall in deliveries can be eliminated. It is necessary in the future to include the indicators for the output of new production (with the use of progressive technology) in the composition of control figures and plan assignments for the output of production in physical terms. This means that their production, supply and marketing will be ensured in a planned order. Every assignment for new equipment will have a client, and consequently a contract for delivery and appraisal of an enterprise's activity on the part of society will be realized as deliveries of new production are being fulfilled.

Moreover, the existence of large unused reserves at enterprises is so great that the growth of wages and economic incentive funds was achieved by virtue of improving intraplant planning and reducing the number of personnel, that is without considerably increasing the output of new production.

The second is connected with insufficiently substantiated amounts of economic norms and the period of their effect as well as with a more improved system of their use, which takes the dynamics of new production output into account. Moreover, it is necessary that the final results of economic activity of enterprises be more closely tied in with the scale of new production output and its technical level. The solution of this problem is connected with certification of manufactured production according to two categories--highest and first. This will make it possible to use surcharges to wholesale prices for production certified according to highest category and discounts for first category. This measure is necessary, but provisions should be made not only for the certification mechanism but also for the periods in effect for removing surcharges and the period for using discounts.

Further, it is expedient to allow enterprises themselves to additionally include in the draft plan for new equipment products which are required by the consumer. This will lead to development of contractual relations between suppliers and consumers and establishment of direct extended economic links

Finally, a plan for new equipment must provide not only for the manufacture of an experimental model or a batch of new production, but also include mass output of new production on a scale necessary to satisfy the requirements in it by basic consumers. Under these conditions all indicators of an enterprise, its entire economic activity will depend on production of new equipment. In this case there may be enterprises where the basic volume of production will consist of new equipment, and the plan for new equipment will coincide with its production plan.

An important element of the economic experiment is raising the interest of enterprises in technical perfecting of fixed capital and in solving tasks aimed at social development of labor collectives by providing them greater independence in using the means of production development, sociocultural measures and housing construction funds.

Limits of noncentralized capital investments and assignments for putting fixed capital in operation and increasing production capacities were confirmed in the plan for 1984 for ministries and enterprises, which are operating under the conditions of the experiment. Work results for 1984 show that no

significant improvement in capital construction was achieved as a whole. Thus, for all ministries, which are participating in the experiment, the limit of state capital investments was used 85 percent against 98 percent for the national economy as a whole; in this case the limit for noncentralized capital investments was used at a much higher level (93 percent) compared with centralized capital investments (82 percent).

The unsatisfactory results in fulfilling capital construction plans for production purpose projects, including by using the means of the production development fund, can be explained to a certain degree by the fact that associations (enterprises) of the Ministry of Heavy and Transport Machine Building and the Ministry of the Electrical Equipment Industry were unable to fully exercise the right granted to them, since the formation of the plan and distribution of orders for equipment during the period of transition to the economic experiment was in the main completed under the old conditions.

At the same time, the ministries of union republics have overfulfilled their assignments for putting the fixed capital in operation. Thus, enterprises of the UkSSR Ministry of the Food Industry by using noncentralized capital investments have ensured the commissioning of additional capacities for processing sugar beets (33,400 quintals per day) and producing confectionery goods (3,250 t annually), nonalcoholic beverages (810,000 decaliters annually), food concentrates (500 t annually) and a number of other kinds of products. An additional output of production valued (in retail prices) at R30 million is ensured as a whole by virtue of increase of production capacities.

Enterprises of the BSSR Ministry of Light Industry by conducting work in 1984 aimed at retooling production have ensured more than 70 percent of the overall increase of labor productivity and reduced production costs by R9 million. All underway projects envisaged by the plan were put into operation in good time in the Lithuanian SSR Ministry of Local Industry.

Different results in the use of the production development fund are explained by the fact that republic ministries have been more broadly utilizing a method of operations using their own resources, restrictions on retooling and modernization have been removed and they have been granted the rights to conduct work not only with respect to basic production but auxiliary production as well.

In 1984, actually R23.8 million or 95 percent from the limit of noncentralized capital investments in the amount of R25 million were used for construction at the expense of means of the sociocultural measures and housing construction funds by all ministries participating in the economic experiment. The annual limit at the expense of these means has been assimilated fully by the Ministry of Heavy and Transport Machine Building and the Lithuanian SSR Ministry of Local Industry, 93 percent by the Ministry of the Electrical Equipment Industry and 80 percent by the Belorussian SSR Ministry of Light Industry. A limit of noncentralized capital investments for 1984 was not set for the Ukrainian SSR Ministry of the Food Industry, since all means of this fund earmarked for construction were turned over by the ministry by way of shared participation to other organizations.



At the present time, it is difficult to give a full appraisal of the results of planning and utilization of noncentralized capital investments owing to the insufficient period of time in conducting the experiment and the length of the investment cycle.

At the same time, work results have shown that planning and utilization of noncentralized capital investments, which were earmarked in the plan for retooling, do not sufficiently tie in with the tasks of conducting a unified technical policy in a sector or subsector. Some enterprises do not have long-range plans for retooling, and at enterprises where they were developed, they, as a rule, do not contain specific and substantiated directions for developing production and bringing it to a contemporary technical level. Calculations of the substantiation of effectiveness and final technical and economic results of the measures being outlined are lacking. The transition to work under conditions of the experiment did not lead to a substantial change in the practice of developing these plans.

Finance organs continue taking into account in financing plans the existing surplus means at enterprises in production development, sociocultural measures and housing construction funds. The practice of bygone years is being repeated, when means of the production development fund earmarked for retooling were used to finance other types of construction.

The effectiveness of using capital investments, accomplished by using the means of enterprises, is reduced owing to the failure to fulfill conditions of the experiment on providing material and technical resources to noncentralized capital investments.

Enterprises and associations are experiencing difficulties in obtaining funds for equipment. Thus, according to the data of the USSR Stroybank [Bank for Financing Capital Investments], the retooling plans for the Novosibirsk PO [Production Association] Sibelektroterm [not further identified] were provided funds for equipment in the amount of 27 percent, for plants imeni Vladimir Il'ich (Moscow) in the amount of 29 percent and for the Donbasskabel' [not further identified] in the amount of 70 percent. The following plants were also not fully provided with funds: the Donetsk Power Engineering Plant, the Sverdlovsk Electrical Machinery Plant of the Ministry of the Electrical Equipment Industry and the Torzhok Railcar Building Plant imeni Kalinin of the Ministry of Heavy and Transport Machine Building. The USSR Gosplan examines the requirement for equipment only according to a current plan for an increase of capacities through retooling.

The regulations on delivering products for production and technical purposes, which were issued in February 1981, do not make organs of the USSR Gosplan responsible for completing work with respect to retooling and modernizing operating enterprises. Transfer of part of equipment and cable output from new construction projects, on which construction periods drag out, for completing work in retooling is not practiced. Questions of planning, supplying with resources and manufacturing of special and not standardized equipment require to be put in order. Fulfilling retooling work by a method of operations using

an enterprise's own resources is held back by poor supply of construction machinery, mechanisms and tools. Norms for expenditure of construction materials in fulfilling construction work by a method of operations using an enterprise's own resources, which are set by ministries for associations and enterprises, are lower than for corresponding work carried out by contract method and do not meet the requirement defined by plans.

Contracting construction and installation organizations show no interest and reluctantly undertake fulfillment of work in retooling operating enterprises. The USSR Gosstroy has confirmed an order for drawing up planning estimates for retooling, which provides compensation for builders' increased expenses in performing aforementioned work. However, it virtually could not have an effect on changing the situation, since it was introduced from 1 January 1985. Many enterprises and associations do not have their own project planning subdivisions, which are capable of fulfilling at a contemporary level the development of planning estimates and long-range retooling plans, and are forced to turn to planning and surveying organizations. The latter undertake fulfillment of this work reluctantly, taking into consideration its relative labor intensiveness and complexity in carrying out measurements, examination of construction and surveying. The order of including this work in plans of project planning organizations and coordinating it with documentation, which was developed by associations and enterprises, needs improvement. Prepared proposals on raising the interest of project planning organizations in fulfilling the aforementioned work have failed to yield a proper result.

The economic experiment is gaining strength. It is known that the circle of its participants has expanded considerably since 1 January 1985. The process will also continue in the 12th Five-Year Plan. The scale of the experiment is such that work conditions can no longer be left unchanged in construction, transportation, trade and other sectors of the national economy. More improved forms of planning and economic stimulation require further improvement in the management of the national economy.

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## RESTRUCTURING OF LABOR WAGE SCALE IN CONSTRUCTION URGED

Moscow PLANOVoye KHOZYAYSTVO in Russian No 8, Aug 85 pp 110-112

[Article by B. Kostrikov, candidate in economic sciences: "Material Incentives in Construction"]

[Text] In accordance with the resolution of the USSR Council of Ministers and the AUCCTU entitled "On Improving the Organization, System of Wages and Labor Incentives in Construction" dated 24 January 1985, the planning of the staff size and wage fund of managers, engineering-technical workers (including line personnel) and employees must be done according to the standards per 1 million rubles of construction-installation work in accordance with the estimated cost of the latter in the given year. As of the 12th Five-Year Plan, stable wage standards will also be established for builders and those engaged in subsidiary production. These standards will provide for progressive relations between the growth rates in labor productivity and the average wage, which will facilitate the achievement of the best end results.

The interest on the part of the workers in improving the end results is determined in great part by the effectiveness of the bonus systems. Considerable experience has been accumulated in construction on payment of bonuses for the planned operational introduction of facilities and capacities. The effective statute<sup>1</sup> defines the differentiated amounts of bonuses. As applied to facilities in various sectors, they vary from 4.1 to 1.6 percent of the estimated cost of performed work for new construction and from 5.6 to 1.95 percent for reconstruction and technical retooling. Their amount decreases in case of extension of the initial time for operational introduction of the facility in the established order (except for overall area of residential houses). The bonuses are paid out with consideration for an evaluation of work quality as indicated in the certification of the state acceptance commission.

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<sup>1</sup> "Statute on Bonuses to Workers for the Operational Introduction of Production Capacities and Construction Facilities." Ratified by the USSR Goskomtrud [State Committee for Labor and Social Problems], the USSR Gosstroy [State Committee for Construction Affairs] and the AUCCTU on 11 September 1979.



On the whole this approach facilitates the reduction of construction time and reduces its production cost. Nevertheless, differentiation of the amount of the bonus payment with consideration for work quality must be improved. Thus, with the operational introduction of buildings and structures with an excellent evaluation, the bonus is increased by 10 percent, with a good evaluation—it is paid out in amounts determined by the effective statute, and with satisfactory evaluation it is reduced by 20 percent.

In our opinion, when bonus payments are given for submitting facilities with an evaluation of "satisfactory", it is important to consider a number of factors. If the quality depended entirely on the executors, then bonus payments to them are out of the question. However, often construction sites are supplied with sets of structures, products and materials of low quality. At the same time, it is impossible to efficiently replace them or bring them up to corresponding requirements at the building site. In such cases, bonuses should be issued for that portion of the volume of construction-installation work whose quality depended on its executors. In this connection, it is necessary to evaluate the quality of the finished facilities, as well as of the basic work. Certain experience in the application of indicators for such evaluation has been accumulated in many construction organizations. These may be the relative share of work performed since the first claim, for a definite period, or the amount of nonproductive expenditures (monetary and labor) for correcting defects per unit volume of construction-installation production. In summary such evaluations may be expressed in points or coefficients.

It is significant that the bonus is given to contractors, customers and designers, and it is divided accordingly between them in the following ratio: for new construction--92.5, 2.5 and 5 percent; for reconstruction and technical re-tooling--90.5, 5 and 5 percent.

The above-mentioned resolution opens up new possibilities for increasing the degree of interest in the operational introduction of production capacities and facilities by other participants in construction, and primarily the industrial enterprises included in the make-up of construction-installation trusts or the subdivisions equivalent to them, as well as motor transport organizations.

At the present time the lump sum or lump sum-bonus wage payment system is being used in the sector, and covers approximately 80 percent of the builders. Experience has shown that it is the best for stimulating highly productive labor. As concerns the quality of construction-installation work, with an excellent evaluation the amount of the bonus reaches 3 percent of the sum of piece-rate wage (according to the lump sum order) for every percentage point of reduction in standard time, and good and satisfactory evaluation--0.5 percent.

However, such order of bonus payment does not always have a positive effect on the quality of construction. It turns out that the brigade is more interested in overfulfilling the norms with satisfactory quality of work, rather than with excellent or good quality, which requires the greatest expenditures of labor and time. We know what expenditures are caused by facilities which are introduced into operation with low quality. Computations show that the additional effect in improving quality by 1 point, computed per 2 million rubles worth of introduced funds, comprises 30,000 rubles per year.

Tangible loss is also incurred from such a practice where the labor collectives, striving toward achieving the best results, receive no significant remuneration for their efforts. Consequently, an efficient system of quality control for construction-installation work is needed. Bonus payments should be set up depending on work schedule fulfillment, but only for good and excellent performance. Bonus payments must reflect the regional peculiarities of construction to a greater degree than they presently do.

In the current Five-Year Plan, a number of contracting organizations conducted an experiment on improving bonus payments to workers under the lump sum wage system. Among other conditions was the following: if the work was submitted with a satisfactory evaluation or if the job order was not fulfilled by the established time, no bonus was paid. As a result, the quality of construction improved, the number of facilities submitted with a satisfactory evaluation was reduced, and the basic indicators of work by contracting organizations were improved. This is evidence of the fact that the effective statutes on lump sum wage payment require improvement, with consideration for the results of the experiment.

The application of markups (additional payments) to engineering-technical workers, and especially to foremen, takes on particular significance. Much has been done to increase the minimum wage in the last three decades, yet attention to stimulating the growth of qualifications has somewhat waned. As a result, there has been a disruption in the relationship between the labor wages of specialists and workers. While in 1955 the average wage of engineers (also counting managers) was twice as high as that of workers, in 1977 it was only 1.08 times as high. By 1971 it comprised 216.5 and 215.8 rubles, respectively. Moreover the wages of foremen and section chiefs are lower than those of many unskilled workers.

In recent years, experiments have been conducted on the wages paid to engineering-technical workers (ITR) depending on the results of work of their collectives. Specialists have been included in the make-up of brigades under conditions of underground construction, and the duties of foreman (work executor), brigade leader, etc. have been introduced.

Many of the forms of wages paid to specialists which have proven themselves are reflected in the above mentioned resolution. Specifically, they provide for: including engineering-technical workers in the make-up of consolidated brigades (where this is expedient) and assigning them the management of such brigades with wages paid in accordance with work results; establishing additional payments for brigade and section managers depending on the number of these subdivisions, volumes and specifics of work performed, etc. Such measures are directed at improving the organization of labor in construction, accelerating the introduction of facilities and capacities, and improving qualitative indicators.

It is a well-known fact that builders are not always interested in work on the reconstruction and technical retooling of enterprises, since it must be performed under inconvenient conditions, on a narrow front, and often with limited application of mechanized means. As a result, the indicators of

economic activity of contracting organizations are reduced. As of 1981, provision has been made for a certain strengthening in the stimulation of these processes.<sup>2</sup> Thus, the amounts of bonuses paid for reconstruction and technical retooling of production capacities are higher by an average of 15 percent as compared with the operational introduction of new facilities. The wages of managers of construction-installation organizations whose work volume comprises 50 percent or more technical retooling and reconstruction have been increased.

However, practical experience has shown that sectorial corrective (mark-up) coefficients for reconstruction and technical retooling of operating enterprises, as well as the existing system of bonus payments, do not compensate for all the outlays by construction organizations which they must bear during reconstruction, and therefore require further improvement.

In accordance with the resolution of the CPSU Central Committee and the USSR Council of Ministers entitled "On Improving Planning, Organization and Management of Capital Construction" and adopted in April 1984, the managers of customer enterprises, construction and project design organizations are permitted to implement such work according to coordinated estimates compiled with consideration for the real conditions and the character of their production.

The above-mentioned resolution of the USSR Council of Ministers and the AUCCTU charges the USSR Goskomtrud and the USSR Gosstroy, working in conjunction with the AUCCTU and the appropriate ministries, with ensuring the material interest of construction organizations in increasing the portion of work on reconstruction. This is to be done by establishing corrective coefficients to the volumes of construction-installation production for determining groups by labor wages of managers and ITR. It is important that the corrective coefficients, which have yet to be established, along with the existing system of economic stimulation of reconstruction, also consider the priority status of the latter as compared with new construction and expansion of existing capacities.

The economic incentive funds have great significance for strengthening the material interests of the collectives. For example, technical retooling of enterprises depends on the formulation and application of the fund for production development. The expenditures for measures implemented at the expense of these funds are fully included in the plan for capital construction of the ministries (departments) and are provided by them on a priority basis with material resources and contract work volumes. The role of the material incentive fund and the fund for social-cultural measures and housing construction also increases.

The deductions to incentive funds of contracting organizations must take into consideration the type of construction. We are speaking here of the fact that for a definite time (for example, from 1 to 5 years) it is necessary to introduce mark-up coefficients to deductions for fulfilling the plan on commodity

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<sup>2</sup> Cf.: "Sovershenstvovaniye khozyaystvennogo mekhanizma. Sbornik dokumentov." [Improving the Economic Management Mechanism. Collection of Documents], Moscow, "Pravda", 1980, p 94.



building production in the introduction of project capacities having primary significance for the national economy at the given stage. This assures the combination of interests of every worker, every collective and of the national economy, which facilitates obtaining the very best end result.

The primary direction for further improvement of incentives is the development of the brigade contract order, under which the role of wages in the growth of labor production, in strengthening discipline and in improving work quality is activated.

The new Statute on the Open Flow Brigade Contract Order in construction provides, specifically, that the bonus for savings realized from reduction in plan expenditures and directed toward incentives for ITR and employees is paid out primarily to line specialists who are directly responsible for organizing the construction of the facilities. The share of the bonus payment has been increased for ITR and employees: at construction-installation jobs--from 15 to 20 percent of the overall sum, and at other sections of the construction line--from 8-10 to 15 percent. This is very important in stimulating the labor of specialists and in increasing their responsibility for introduction of the brigade contract order.

The collective (council) of the brigade is given authority in wage distribution. The coefficient of labor participation (KTU) of each brigade member in the end results is determined in accordance with the productivity of individual labor, the combination of professions, the adherence to production discipline and other factors. As practical experience has shown, KTU is an important lever in stimulating the highly productive work of all members of the collective.

The continued promulgation of the brigade contract order and its improvement will entail significant reserves for increasing the effectiveness of construction. Nevertheless, low-level cost accounting has not found necessary application in the sector. There are many reasons for this. The main one, which determines its successful introduction, is the significant improvement in planning and material-technical provision of construction. Half of the cases of breaking contract agreements and non-fulfillment of socialist responsibilities are associated with shortcomings in this sphere. As a result, the collectives are often forced to return to working in the old manner.

The role of the customer must be strengthened within the set of measures for expanding the brigade method. He must have an equal interest as that of the builders in the progressive organization of labor, since he provides the construction site with project-estimate documentation, equipment, and building materials, as well as being in charge of the estimate limit. We believe that in this regard the Statute on Open Flow Brigade Contract Order in Construction requires revision.

The effective system of economic stimulation in sectors, productions and organizations which are included in the construction complex generally has a closed character, i.e., it is directed at obtaining a separate end result. At the same time, their functional unity and continuity of the investment process determine the introduction of economic stimulation aimed at the end

result as a whole. In our opinion, this may be achieved with unified management, planning and stimulation of the activity of sectors and productions in the complex.

The realization of the problems which we have examined will greatly facilitate increasing the effectiveness of construction which, in turn, will have a positive effect on the development of contiguous sectors and all social production.

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LABOR

INCENTIVES INCREASING LABOR INTENSIVENESS EXPLORED

Moscow FINANSY SSSR in Russian No 8, Aug 85 pp 42-45

[Article by N. I. Malis, candidate of economic sciences, NIFI [Scientific-Research Institute of Finance]: "Reserves and Centralized Funds for Economic Incentive"]

[Text] An important role in the mechanism of the economic regulation and administration of industry is played by reserve funds. They are of great importance in resolving the task of increasing the effectiveness of social production, inasmuch as, in addition to other factors, they contribute to the introduction of new scientific discoveries, the automation of production, the raising of the proficiency level of the cadres, and to increasing the self-interestedness of the collectives in the technical re-equipping of production. At the present time a number of reserve funds intended for various purposes are being created. An important role in their totality is played by the reserve funds for economic incentive, which are created at the ministries and industrial associations.

Reserves for incentive funds (centralized material incentive fund, centralized fund for social and cultural measures and housing construction) represent that part of the corresponding funds for the entire branch (subbranch) which remains at the disposal of the ministry VPO [all-union industrial association]. The centralization of the monetary means within the branch at the disposal of the agency of administration is explained by the need to carry out general-branch measures, and also by the fact that the need that individual enterprises have for funds, particularly for the purpose of providing incentives for the workers, does not always coincide with the resources existing there.

Reserves for incentive funds are created at the ministries, and centralized economic incentive funds are created at the VPO's. The methodology of their formation, their economic content, and their directions for use are identical.

The ministries' reserves and the associations' centralized economic incentive funds are intended primarily for the resolution of general-branch tasks involving the encouragement of the increase in the effectiveness of production at the level of the ministry or production association and serve the development of the principles of cost-accountability in the branch as a whole. They are of great importance in increasing the economic independence of the branch,



improving the organization of production, expanding the reciprocal contacts within the complex, and reinforcing its real economic unity. They encompass a broader circle of relations as compared with the enterprises' economic incentive funds, inasmuch as all the subdivisions in the branch are participants in those relations.

The immediate effect that the reserves and the centralized economic incentive funds have upon the activity of the branch (subbranch) largely depends upon the mechanism of their formation. The statute governing the formation and use of reserves (centralized funds) for the incentive funds of the ministries (departments) and all-union (republic) industrial associations, which was approved on 10 April 1981, stipulates that the all-union and republic ministries and departments, union-republic and republic ministries and departments of union republics, and all-union (republic) industrial associations establish, within the limits of the total amounts of the material incentive fund and the fund for social and cultural measures and housing construction, which have been defined in conformity with the standards and fund-forming indicators for 1981-1985 that have been approved for them, planned amounts of deductions to be paid into the reserve (centralized fund) for incentive funds, to be formed at the expense of the enterprises' profit. That statute has certain differences from the procedure of forming and using reserves and centralized funds which procedure had been in effect in the 10th Five-Year Plan. In particular, the sizes of the reserves for the incentive funds of the ministries, together with the centralized funds of the VPO's, now can constitute as much as 15 percent of the total amount of each fund for the ministry as a whole, as compared with 10 percent in the past five-year period.

The centralized material incentive fund (TsFMP [hereinafter CMIF]) is formed by two methods: as the difference between the complex's material incentive fund, that has been adjusted on the basis of the standards, and the enterprises' material incentive funds that have been computed on the basis of their standards; or the direct payment into the CMIF of a definite percentage of the enterprises' fund. For example, by the method based on the difference between the association fund and the enterprises' fund, the CMIF is formed at the Soyuzorgtekhnika and Soyuzschetmash VPO's, but at the Soyuzanalitpribor VPO, it is formed by means of the automatic transfer of 5 percent of the planned material incentive fund for the enterprises. In both instances the source of the formation of the CMIF is the profit derived by the subordinate enterprises.

It seems to us that the process of formation of the reserves and centralized funds for incentive must reflect their incentive role, and this is not typical of the methodology that is in effect at the present time. The sizes of these funds are predetermined by the fact that the standards for the deductions for the enterprises are established at 10-15 percent below the standards for the associations. Thus is it obvious that lying at the basis of the formation of the reserves (centralized fund) for incentive and the material incentive funds of the enterprises are uniform fund-forming indicators. This principle of formation of these funds is explained by the fact that the industrial ministry (association) is the center of the single economic system that is characterized by a number of homogeneous characteristics.

Obviously, the achievements of the entire industrial association are directly dependent upon the results of the activity of each enterprise that is part of it, but it is necessary for the former to fulfill specific functions that are linked with the guaranteeing of the coordination of the work performed by all the subdivisions in the complex. Therefore, when forming the CMIF of the industrial association, it should be necessary to take into consideration not only those indicators depending upon which the incentive funds of the subordinate enterprises are formed, but also the specific indicators that reflect the achievements of the association as the center of the single economic system. Consequently, when forming the centralized material incentive fund, it is insufficient to take into consideration only the volume of the enterprises' profit; it is necessary to have those indicators that would reflect more completely the qualitative aspect and specifics of the activity of the VPO: the labor productivity, the reduction of expenditures per ruble of commercial output, the increase in the volume of production of output with the highest category of quality, etc.

A factor of great importance for increasing the effectiveness of the mechanism of intrabranch incentive is the determination of the optimal sizes of the deductions to be paid into the centralized incentive funds. In the 10th Five-Year Plan, in the industrial associations of USSR Minpribor [Ministry of Instrument Making, Automation Equipment, and Control Systems], the CMIF's did not exceed 3-4 percent of the total amount of the incentive funds of the subordinate enterprises. A similar situation also developed at the beginning of the 11th Five-Year Plan.

A study that was carried out by us in the associations of the ministry that was mentioned makes it possible to conclude that the level of deductions that has developed completely satisfies their needs. This is confirmed by the large carryover balances in the centralized material incentive fund and the fund for social and cultural measures and housing construction, which are carried on the associations' accounts. At the Soyuzorgtekhnik VPO in 1980 the balance of such funds constituted 78,000 rubles; in 1981, 404,000; and in 1982, 323,000, with its overall size being, respectively, 382,000, 372,000, and 561,000 rubles. At the Soyuzschetmash VPO the carryover balance in the fund as of 1 January 1984 constituted 2,289,000 rubles, which is more than the annual totals. The same situation developed with the expenditure of the assets in the fund for social and cultural measures and housing construction.

The analysis indicates that industry has not been making complete use of the right to deduct for payment into the reserve as much as 15 percent of the material incentive fund; and the deductions paid into the reserves and centralized funds continue to fail to exceed the previously established 10 percent. The practice that has developed in the formation of centralized funds (reserves) for incentive funds attests to the fact that a definite limitation of the standards for deductions to be paid into those funds will contribute to the efficient use of the assets and to increasing the effectiveness of their effect upon the results of the activity of the entire complex.

It would seem that it is necessary to take a differentiated approach to the formation of the ministries' reserves and the VPO's centralized incentive funds. An increase in the sizes of those funds is desirable in the branches that require

the frequent changing of the variety of output and reorganization of production, and that depend upon natural and geological-mining conditions, or the seasonal nature of production. This problem takes on special immediacy in the branches in Group B, where the variety of output is renewed often, output that does not have any demand is completely removed from production, and where commodities that conform to the best worldwide models are manufactured on the basis of the use of new technology and advanced technological schemes.

The ministries' reserves and the VPO's centralized incentive funds must be used purposefully, inasmuch as the total amounts of assets channeled into those funds are extremely considerable. Those assets are used by the ministries and departments for the purpose of financing expenditures which, by their earmarked nature, can be united into four groups. They are expenditures for the additional incentive of the collectives at the production associations (enterprises), of a compensatory nature; for the purpose of guaranteeing the stability of the standards for the formation of the incentive funds; for material incentive; and for the improvement of the housing and cultural-everyday conditions of the workers in the administrative apparatus of the ministries and VPO's.

Inasmuch as the production subdivisions of the VPO's have their own economic incentive funds, it is necessary to take a strict approach to the use of the centralized fund. In the practical situation, its assets are frequently channeled into the supplementing of the incentive funds of the production associations (enterprises), when the indicators of their work are temporarily worse as a result of the assimilation of new technology, the remodeling of production, or the capital repair of the basic production objects (ovens, mills, conveyors, etc.), or, at enterprises in the food, meat, and dairy industries, because of a reduction in the quantity of, or the worsening of the quality of, the agricultural raw materials to be processed. In the estimates of the expenditures of the centralized material incentive funds, such expenditures, as a rule, are rather considerable. At the Soyuzanalitpribor Association they constitute annually approximately 30 percent; at the Soyuzorgtekhnik Association, 66.5 percent in 1983; and at Soyuzschetmas Association, 18 percent.

It would seem that this expenditure of assets should not be of a regular nature everywhere, since it does not enable the centralized incentive funds to fulfill their basic functions, inasmuch as they completely coincide with the tasks of the mentioned funds at the enterprise. The transferring of the assets in the centralized material incentive funds for the supplementing of the plant funds is admissible, but only in exceptional instances. This is also possible whenever, in the process of improving the organization of production within the VPO, it has become necessary to increase the number of employed ITR [engineer-technical workers], but the plant's material incentive fund has not been adjusted or it has changed over to the production of new output that is needed by the national economy, which output has lower prices (which, for some reason, was not foreseen in the five-year plan) and its fund-adjusting indicators have proven to be understated.

In recent years, as a result of the centralization of the administrative functions in the industrial associations of USSR Minpribor, a number of production associations have been formed, as a rule, by means of the combining of production



units with scientific-research institutes. For that reason the number of workers at the enterprises has been increasing sharply, but the basic indicators of activity, particularly the fund-forming ones -- production costs and labor productivity -- have been falling. Without a doubt, that creates difficulties with the formation of the incentive fund, and this causes the workers' earnings to decrease for reasons that do not depend upon their efforts. The assets in the VPO's centralized material incentive fund come to the rescue. However, this situation cannot and must not become the rule: it is necessary to reconsider the system of the formation of the incentive funds so that the assets to be used for the payment of bonuses will be previously stipulated.

The analysis that we made of the work performed by the ministries and VPO's enables making the conclusion that the assets that have the greatest share are those that are intended to supplement the plant funds. A considerable part of them is used to pay bonuses to the production and scientific subdivisions for the fulfillment of urgent assignments. For example, in 1983 the Nauchpribor PO [production association] in Orel was given a bonus of 1500 rubles; the Analitpribor NPO [scientific production association] in Tbilisi was given a bonus of 2000 rubles for manufacturing and shipping to the customer in excess of plan a fundamentally new device for monitoring the speed of escalators; and the Mukachevpribor Plant, in recognition of operations to design and manufacture for the Analitpribor NPO in Tbilisi molds for a bracket-part, 600 rubles. In 1984 the same plant was allocated, for having manufactured molds for the Gas-Analysis Instruments Plant in Vinnitsa, 1000 rubles; the Elektroavtomatika Plant in Yoshkar-Ola, for having manufactured and shipped in excess of plan within the coordinated deadlines to the Gomel Measurement Instruments Plant 100 measurement instruments type KSP-4, 1000 rubles. This targeted incentive payment for projects from a centralized fund contributes to accelerating the resolution of very important production tasks.

The all-union associations frequently allocate to enterprises and organizations funds to pay bonuses for operations in the area of economy measures. For example, in 1984 the Nauchpribor PO in Orel was allocated 1500 rubles to pay bonuses to the workers who had taken direct part in computing the labor-intensity of articles for the enterprises of Soyuzanalitpribor.

The money in the CMIF is also used to give incentive payments to collectives on the basis of the results of the competition within the industrial association. With the formation of the associations, new opportunities were opened up for competition, inasmuch as all the production units are characterized by the homogeneity of the output being produced and their technological schemes. It becomes possible to determine the best collectives by comparing the individual indicators not only with their preceding ones, but also the average ones for the subbranch, to ascertain the circumstances that influenced them, and to extend the advanced experience to all the enterprises in the subbranch.

In certain instances the plants are granted funds as a result of the sharp increase in the percentage of new technology in the overall volume of production and the reduction, as a result, in the fund-forming indicators. For that reason the Mukachevpribor Plant was allocated 50,000 rubles in 1984. That fund is also used to make awards to the participants in the subbranch professional-

skill contents, and the Soyuzanalitpribor VPO in 1984 appropriated 1500 rubles to pay bonuses to the winners in a contest for production efficiency and the protection of labor.

Large amounts of money are allocated to scientific-research subdivisions and to special design and technological bureaus of Soyuzschetmash VPO.

Name of organization	Table 1 (thousand rubles)	
	1982	1983
VNIorgtekhnik (Moscow)	58,500	36,550
SKB [special design bureau] PM (Kursk)	23,600	1,200
SKBorgtekhnik (Vilnius)	15,500	11,200
SKTB [special design and technological bureau] KMT (Sukhumi)	9,000	4,000
SKBpribor (Orel)	39,800	48,340

This use of funds is admissible only when the scientific-research organizations are not carrying out projects at the plants themselves. Otherwise the funds for paying bonuses to the workers must be received by them from those industrial enterprises at which their scientific achievements are being introduced.

One of the important areas for using the money in the centralized incentive funds is the paying of bonuses to workers in the administrative apparatus. Without a doubt, this category of workers must be given a self-interestedness in improving the overall results of the work, and that is why the system of paying incentives is created. However, its source -- the money in the centralized material incentive fund -- is tied in with that system in a purely mechanical manner. The amounts of the deductions from the CMIF for the paying of bonuses to workers in the administrative apparatus are not regulated. On the average for USSR Minpribor, approximately 5 percent of the mentioned fund is expended for these purposes. However, depending upon the needs for funds, deviations are also possible (Table 2).

Table 2

Deductions of Funds for the Paying of Bonuses to Workers in  
the Administrative Apparatus in 1983

VPO	Total, thousand rubles	percentage of total fund
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Soyuzorgtekhnik	19	2.5
Soyuzschetmash	41	2.5
Soyuzanalitpribor	22	7.5

The relative stability of the size of the funds allocated to pay incentives to the workers in the association's administrative apparatus is determined by the fact that the size of the bonuses is established on the average at the level of 8 percent of their wages. In USSR Minpribor the system of paying bonuses to those workers is based on the branch statute governing the payment

of bonuses. According to that statute, the sizes of the material incentive payment depend upon the results of the activity of the entire complex and each enterprise individually. In the event of nonfulfillment of the plan for one of the basic indicators, the size of the bonuses for each enterprise that failed to fulfill the plan for at least one indicator is reduced by 5 percent. For the functional departments of the VPO's there have been established, in addition to the basic indicators, specific indicators for the payment of bonuses, which reflect the chief tasks confronting the particular department. Consequently, the system of paying incentives to the administrative workers is already constructed in such a way as to give them a self-interestedness in the high indicators of the activity of the entire industrial association. Nevertheless it would appear that that system needs improvement.

The improvement of the methodology of paying bonuses to workers in the administrative apparatus of the VPO's must be linked with the introduction of indicators for the payment of bonuses, which indicators, as we have already remarked, should reflect not only the results of individual measures, copying the corresponding plant statutes, but also the specific indicators that reflect the activity of the all-union association as the center of the economic system. It would seem that the slight complication in making computations will be repaid by the increase in the effectiveness of the activity of the workers in the administrative apparatus of the VPO's.

The centralized fund for social and cultural measures and housing construction is formed in the same way as the central material incentive fund, in the amount of as much as 15 percent of the fund of the same name at the enterprises. It is intended for supplementing the funds of the enterprises that are part of the association, with reduction for objective reasons of their fund-forming indicators, and for the improvement of the housing and cultural-everyday conditions of the workers in the administrative apparatus.

By drawing against the money in the mentioned fund, the industrial associations carry out the construction, expansion, and capital repair of apartment buildings, children's and preschool institutions, medical clinics, Pioneer camps, rest homes, sport structures, and other structures intended for cultural and everyday purposes. The centralization of the financial resources for carrying out the social and cultural measures and housing constructions in the all-union associations has created additional conditions for accelerating the implementation of the plans for the social development of the subbranches and for guaranteeing more favorable conditions for the workers' labor and recreation.

An analysis of the estimate for the expenditure of the centralized fund for social and cultural measures and housing construction in the industrial associations of USSR Minpribor attests to the fact that the most considerable part of those funds is used to supplement the plant funds. In certain instances, that fund is used to allocate money to the plants for the making of payments for housing construction. For example, by drawing on this fund the Soyuzanalitpribor VPO provided the Analitpribor NPO in Tbilisi with 400,000 rubles in 1984. In addition, the VPO allocated 10,000 rubles to the association for shared participation in improving the orchard cooperative; 1,800 rubles for purchasing excursion trip-tickets to Minsk, Tallin, and Suzdal.



The money from the centralized fund is issued in some instances in the form of nonrepayable loans; and in others for a definite period of time with return. Practical life demonstrates that the balance sheets of the enterprises that are part of the industrial associations list considerable balances of amounts of money in the fund for social and cultural measures and housing construction which were not used promptly for the specific purpose for which they were intended, because of the insufficiency of equipment, materials, manpower, etc. In addition, the insignificant sizes of the fund for social and cultural measures and housing construction sometimes do not make it possible to carry out the necessary social and cultural measures, or the construction of the housing fund, therapeutic complexes, etc. All this attests to the need to centralize some of these funds at the level of the administration of the VPO, which will contribute to the more effective use of the funds and will create additional opportunities for the providing of economic incentives to the collectives and for accelerating the implementation of the plans for the social development of the subbranches. It seems to us that for the more efficient and more effective use of centralized funds for social and cultural measures and housing construction it would be desirable to grant the ministries (departments) the right to resolve the question of the share of the centralized assets in this fund with a consideration of the need to resolve the plans for social development for the branch as a whole.

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## LABOR

### TECHNOLOGY'S EFFECT ON TIME SAVING IN AGRICULTURE

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[Article by doctor of economic sciences, professor I. Kurbatov: "Reserves for Saving Work Time in Agriculture"]

[Text] Like savings of material resources, savings on time constitute an important and integral part of the rational management of a farm; and under the conditions in which the economy is being switched to an intensive basis, the approach to this should be basically new, otherwise it is impossible to cope successfully with the planned targets for 1985 and the five-year plan as a whole. Unfortunately, within agriculture, the use of machinery, fertilizers and other means of production is by no means everywhere skillful. And the reasons for low productivity include stoppages, inadequate per-shift loads on machinery, shortages in the provision of skilled personnel to work as vehicle operators, and violations of labor discipline. We can in no way be satisfied with the scales and rates at which the rational organization of labor and progressive forms of material incentive are being introduced.

The developed socialist society is not interested simply in the most complete utilization of work time, nor in obtaining the maximum effort from people, but precisely in normal work, that is, a scientifically substantiated intensity and high productivity while retaining work capacity for a sustained period. This is why it is very important not to permit unproductive expenses and losses of work time. We should remember that, say, for kolkhozes and sovkhoses, a labor productivity improvement of 1 percent is equivalent to the saving of 300 million man-hours, while in all sectors of the agro-industrial complex this figure would be in excess of 600 million man-hours. In order to understand the importance of this problem it is enough to recall that all the growth in agricultural output planned for the 11th and 12th five-year plans is to be achieved through improvements in labor productivity. And for this it is very important to study, be mindful of and make rational use of work time--every hour, every minute--whose "value" grows as the volume of production increases. Look at the following figures for comparison: in our country, during the 6th Five-Year Plan in 1 minute agricultural output worth R11,000 was produced; during the 10th Five-Year Plan the figure was R197,000.

Saving work time depends on many factors. Among them, scientific and technical progress plays a leading role. In agriculture this includes extensive electrification, the mechanization and automation of production, the use of

economically efficient machinery systems, new technological processes, and progressive forms for the organization of labor and incentive, and the achievements of science and leading experience. The calculations show that, compared with 1980, in 1985 the introduction of machinery systems for comprehensive mechanization of the arable farming sector produced a 30-percent increase in the productivity of grain combine harvesters, 55 percent for potato-harvesting machines, and 55 percent for grain grain seed drills. Reliability in the operation of the equipment rose by a factor of 1.3 to 2, while the labor intensiveness of technical maintenance fell 10 to 15 percent.

Another example. At comprehensively mechanized dairy farms about 3 man-hours are required to produce 1 quintal of milk, 70 to 100 or even more cows can be handled with machine milking equipment, and there are 30 to 35 animals for each production worker, while at regular farms a milkmaid can handle 22 to 25 cows, and it takes more than 10 man-hours to produce 1 quintal of milk. At specialized complexes where cattle are fattened using the maximum degree of mechanization, direct labor costs per quintal of added weight are 4 to 8 man-hours, or 8 to 10 times less than with the traditional organization of labor. At these complexes one cattleman-operator handles 400 to 700 animals, while the figure for a regular cattleman is 30 to 75 head of cattle.

Comprehensive mechanization is not only of economic but also social significance: farmers and livestock farmers receive higher wages, have more free time, their labor is lightened, and in terms of the nature and conditions of the work they approach an industrial situation. Analyses conducted in various zones of the country have shown that at the specialized enterprises and in the associations set up on the basis of interfarm cooperation and agro-industrial integration, much more complete and efficient use is made of manpower, and also of the land and other fixed capital, and the incomes from public farming grow substantially. Economic efficiency at these enterprises and associations is double or triple that at regular farms. One good example is the Mtsensk Interfarm Enterprise in Orel Oblast, which is designed to fatten 28,000 head of cattle, producing weight increases of 3,800 tons annually. Some 3.5 man-hours are required for each quintal of weight increase in the cattle, using 7.3 quintals of fodder at a prime cost of R96.6, while labor expenditure is seven times less than it was previously at the sovkhozes belonging to the "Skotoprom" Trust.

These figures say a great deal, primarily about the value of work time. Under the conditions of the industrialization of agriculture, questions of the rational use of work time by field workers at each work place are acquiring greater urgency. The better kolkhozes and sovkhozes are provided with technical equipment, the greater the value of each minute, and the more tangible any losses resulting from any kind of stoppage. Meanwhile, analysis of the structure of labor costs in the farming sectors makes it possible to conclude that many shortcomings remain here. Thus, during the work process, stoppages are occurring, and their duration, including for organizational and technical reasons (76 to 91 percent of all stoppages) is increasing as the processes being carried out become more complex.

Observations conducted in a number of kolkhozes and sovkhozes in the Central Chernozem Economic Region indicate that in an average shift, vehicle operators lose about 35 minutes for organizational reasons. These losses result primarily



from the untimely provision of motor transportation (on the one hand the operations of sowing and harvesting links are not synchronized, while on the other the operations of the transportation links is not synchronized), the lack of permanent workers to service equipment, the unprepared status of the work place, and imprecise planning. The level of manpower organization at kolkhozes and sovkhoses is low. An analysis of stoppages resulting from organizational causes confirms this. Table 1 below shows the losses of work time in the main mechanized labor processes over the period 1972-1982. The figures were compiled from almost 3,000 time-and-motion studies done with photography, conducted by the norm-research establishments in the Central Chernozem Economic Region.

Table 1. Work Stoppages in Mechanized Labor Process in Agriculture, 1972-1982

Kind of work	Equipment Stoppages per Working Day (minutes)				
	Total	Because of lack of preparation of the work place	Because of waiting for seeds, fertilizer fuel, etc	Waiting for transport	Other
Ploughing	17.1	12.1	2.0	-	3.0
Sowing legumes	70.3	5.0	55.2	6.0	4.1
Sowing sugar beet	19.2	3.1	7.8	1.5	6.8
Interrow tilling of crops	16.4	2.1	9.2	-	5.1
Mowing legumes in swaths	6.2	3.0	-	-	3.2
Collection and threshing of swaths, direct combine					
harvesting	60.4	3.0	3.0	50.4	4.0
Cutting beet tops	55.2	33.1	-	20.5	1.6
Harvesting sugar beet with combines	72.6	32.7	-	35.6	4.3

\* \* \* \* \*

At many kolkhozes and sovkhoses the vehicle operators often go out into the fields on machines with unadjusted assemblies, unprepared working organs, and the wrong kind of equipment sets. And all this must be corrected during the shift. Much time is lost on eliminating various kinds of breakages and malfunctions, and in most cases they occur among vehicle operators with little work experience, and also as the result of the poor quality of maintenance.

Carrying out all kinds of work in short periods requires highly efficient loading of equipment, particularly during the tense periods of sowing and harvesting. It is even more important to match people and machines correctly, and to insure that those doing the work are strictly matched. At some farms, however, the available opportunities are not used. Vehicle operators are busy only 50 to 60 percent of the work time in a shift. One important reserve is to use highly productive equipment employing the group method. When this is done preparation and finishing-up time and auxiliary time are reduced, as are losses on organizational and technical servicing. Combine stoppages are reduced almost

40 percent and the per-day amount of work done is 20 percent more than when harvesters operate singly. Practice shows that it is advisable to use harvesting-and-transportation detachments (or complexes) to harvest grain and other crops. Organizing these subdivisions reduces labor expenditures one-third in grain threshing and shipping.

Take just this one example. The group utilization of equipment at the "Biyskiy" sovkhoz in Altay Kray, using the same number of machines and personnel, made it possible to improve productivity in tilling the soil 12 to 16 percent, in the sowing of grains 27 percent, in cutting grain into swaths 46 percent, in mowing 14 percent, in ricking straw 12 percent, and in the transportation of grain from the combine harvester to the threshing floor 58 percent. The time taken to carry out basic work operation was reduced, and this promoted higher yields and reduced labor expenditure on the production of grain crops.

A high level of savings is obtained from the use of industrial technologies in the cultivation of labor-intensive crops (corn for grain, sugar beet, soybean, potatoes, vegetables), when all work is done using the flow method at the optimal times with the aid of up-to-date equipment and chemicalization means. In 1984 some 70 percent of grain crops, 90 percent of soybean and 45 percent of sugar beet in the country was grown using this method. The introduction of progressive methods for growing agricultural crops makes it possible to reduce labor costs from one-half to two-thirds, while production prime costs are lowered 30 to 40 percent with a simultaneous increase in yield. Thanks to the introduction of new technologies and the rational organization of labor in the production of corn for grain, in Chadyr-Lungskiy rayon in the Moldavian SSR the yield has risen from 34 to 61.6 quintals per hectare, 1.1 million man-hours have been saved as the result of reducing manual labor, more than 500 workers have been freed up from the average annual numbers of personnel, and compared with regular technology, labor intensiveness in the production of corn has been reduced to 5/13ths of what it was previously.

The use of progressive technologies also makes it possible to considerably lower labor intensiveness in livestock farming. Thus, at the dairy complex at the kolkhoz imeni Lenin in Novomoskovskiy rayon, Tula Oblast, with the animals kept untethered in stalls labor expenditure per quintal of milk was 1.6 man-hours (it is 8 man-hours for the rayon), prime cost was R16 per quintal of milk, and yield per cow 5,201 kilograms. High labor efficiency in livestock farming is also achieved by introduction of the flowline shop system for milk production and reproduction of the herd. Its initiators were the farms in Lvov Oblast, where this system has been assimilated at most dairy farms; and this has made it possible to create a stable fodder base while at the same time there has been a marked increase in animal productiveness, the prime cost of a quintal of milk has been reduced 10 to 12 percent, and labor expenditures have been lowered 8 to 10 percent. The numbers of workers has been reduced 15 to 20 percent and personnel turnover has decreased.

Under the conditions of the intensification of agricultural production, one important reserve in making savings on work time is the extensive development of cost-accounting brigades and links operating under the terms of collective contracts. The experience that has been gained shows that in collectives that use the contract-bonus system of payments with temporary advances, labor productivity

is 15 to 30 percent higher than when ordinary forms are used for the organization of labor and incentive. The success in these subdivisions is achieved primarily from the enhanced material interest in the final work results.

In Belgorod Oblast the collective contract has been introduced at most farms. In the links that have switched to this system yields for grains and sugar beet have been increased 7 to 18 percent, and prime cost and labor expenditure per quintal of output are 8 to 12 percent lower for grain and 10 to 28 percent lower for sugar beet. More efficient use is being made of the machinery and tractor inventory and more care is taken in the consumption of fuel; and as a result about R10 million have been saved, while labor expenditure has been reduced by almost three million man-hours. At the kolkhoz imeni Frunze in Belgorodskiy rayon all the ploughing (15,700 hectares) has been put under the care of comprehensive mechanized links operating on collective contracts and cost accounting. Before this there were almost twice as many vehicle operators working the same area. The collective contract and internal cost accounting have been strongly reflected in the indicators for production activity at the kolkhoz. Previously, gross output worth R21,500 was produced per vehicle operator, while under the new conditions the figure is R38,000 (in comparable prices). The level of profitability has reached 88 percent.

In Saratov Oblast a special form of collective contract is being increasingly used--integrated links that are producing and harvesting fodders and fattening young cattle. The links are made up of 5 to 10 persons. Each link handles an average of 400 head of cattle and 110 hectares of land. During the summer the cattle are fattened close to the place where the fodder is being produced. In these links it has been possible to make better use of work time, reduce labor expenditure on shipping the fodder, and introduce cross-utilization of labor. Thanks to this, in 1982 alone about 600 workers were freed up in the oblast, and in many links the output per worker exceeded R25,000.

With each passing year the rate of the contract form in livestock farming continues to increase. At the beginning of the five-year plan it was used at 12,000 livestock farming complexes and farms, and now the figure is more than 100,000. They are making effective use of this form in Latvia, Stavropol Kray, and Leningrad, Tomsk, Vladimir, Nikolayev and Grodno oblasts. The consolidated brigades of shepherds in a number of kolkhozes and sovkhoses in the Kirghiz SSR have fairly good indicators. However, there is still little organizational work associated with the assimilation of the new organization of labor; general appeals substitute for actual work. These kinds of omissions are being permitted, for example, at many farms in Kazakhstan, Uzbekistan and Kalinin Oblast. The contract is often merely something on paper, while in fact as previously, wages for livestock farmers are not connected with final results. Wage-leveling and undefined responsibility in evaluating the work of members of brigades and links have not everywhere been eliminated. The new progressive method is being assimilated particularly slowly at dairy farms: it is often introduced without the necessary preparation, and then it fails and the independent collectives disintegrate. This happens in places where there are shortages of skilled milkmaids, a weak fodder base and inadequate mechanization.



Collective interest in good final results is based first and foremost on the just distribution of wages within the brigade. And this means that it is essential to consider carefully the contribution made by each brigade member and use a coefficient of labor participation. Here, the collective itself and the contract subdivision council have the final word. Much depends on the leaders and specialists. At some kolkhozes and sovkhozes they have also switched to contracts and payments for labor directly linked with the quality and quantity of output.

There is more. The work skill level exerts a major effect on savings of work time. Thus, according to figures from the Central Republic Agricultural Norm-Research Station, at many farms in the RSFSR, for tractor and machine operators First Class, the work done in reference hectares per physical tractor during the field-work period is 27 to 30 percent greater than among vehicle operators Third Class. Among tractor and machine operators that operate a variety of machines and have vocational training and extensive labor seniority, the amount of work done per day is also higher. First Class and Second Class experienced tractor drivers with a seniority of more than 5 years make considerably better use of work time in basic operations, and equipment malfunction is 3 to 10 percent lower. Skilled personnel are quicker to assimilate new technologies and are better at introducing the achievements of science and leading experience; and this enables them to achieve high production indicators.

Losses of work time because of violations of labor discipline remain high. Analysis shows that at kolkhozes and sovkhozes in the Central Chernozem Economic Region about 8.1 days per vehicle operator are lost each year at the sovkhozes, and 11 days a year at the kolkhozes, which corresponds to 41 percent and 34 percent of all full-day losses of work time and 3 percent and 4 percent of the normativ respectively. The situation is the same at individual farms in the Nonchernozem zone of the RSFSR. For example, at the kolkhoz "Zavety Iliche" in Slobodskiy rayon, Kirov Oblast, in 1 year alone 1,200 unauthorized absences were permitted, and as a result the kolkhoz had a production shortfall of R30,000. In 1984, some 170,000 man-days of work time were lost at sovkhozes, kolkhozes and poultry factories in Moscow Oblast because of absenteeism. At some farms they distort the accountability reports because they want to hide these facts. Thus, in 1984, at the "Ukraine" sovkhoz in Lubesnkiy rayon, Poltava Oblast, 14 cases of absenteeism were reported, while a check showed that actually there were 88. In order to stop these kinds of losses it is necessary first and foremost to have done with liberal attitudes toward any kind of violator. As was noted at the CPSU Central Committee April (1985) Plenum, we must insure that a direct link exists between the material position of each worker and each collective and the results of their labor. The Law on Labor Collectives offers broad possibilities for this.

Agriculture is taking some losses as the result of time off taken by workers with the permission of the administration (or kolkhoz board). Of course, there are cases in which it is necessary to go half way to meet a person. But at many enterprises managers give people time off from work without looking into the reasons given for the requested absence and even antedating their absence. These legitimized absences encourage slacking. And what of production? I think that as a rule this kind of time off should be made up.

It is natural that making up lost time should become an indispensable condition, and it should be accurately taken into account. Unfortunately, at some farms this kind of accounting is not organized. Time losses are sometimes looked at with a "blind eye", and even full-day losses for equipment and for people are not always recorded. If a person fails to turn up for work, particularly during the fall and winter period, no one takes any notice. The middle-echelon managers sometimes take up these matter more for the sake of appearance. Meanwhile, in the links and brigades and farms a daily reckoning can and should be made, and not only by days but by hours and minutes. Moreover it is essential in each farm to organize strict accountability for losses of work time, and personal responsibility for unproductive expenditures and losses, as it is for the expenditure of material and financial resources.

The intensification of agriculture and its transfer to an industrial basis are radically changing the nature of agricultural labor, and they require the more efficient use of work time and looking for ways to save time. Saving work time and making rational use of it constitute the main reserve in reducing output labor intensiveness and increasing labor productivity.

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LABOR

'MOONLIGHTER' STATUS CENSURED

Regulations Necessary

Moscow IZVESTIYA in Russian 18 Apr 85 p 3

[Article by IZVESTIYA special correspondent I. Kruglyanskaya, Chernigov Oblast-Moscow: "The Road"/]

[Excerpt] "Shabashnik's" [workers in "moonlighter" status]... Just 10 years ago the question was posed of completely rejecting this form of work. People felt that where you had "shabashnik's" you found legal offenses. At that time the USSR State Committee for Labor and Social Problems and a number of interested departments were given the assignment of studying the problem. They found that the number of legal offenses was minute, that generally the brigades did good, honest work. In rural areas they did up to 30 percent of all construction work (and in certain oblasts up to 60 percent). After these studies it was decided not to restrict the process and a standard contract for these brigades was developed.

And now, incidentally, they are trying to give them a more proper name. For example, free labor brigades. Or, as the USSR State Committee for Labor and Social Problems calls them, seasonal ["sezonnik"] or migrant ["otkhodnik"] workers. But when I used these terms kolkhoz members asked me who I meant. They did not understand what I was talking about.

In fact, seasonal and migrant workers are probably a different matter. We can find their definitions in the specialized literature. But there is nothing there about the "shabashnik's." Not in the Civil Code, nor in labor law.

"That means," I said to the investigator who was handling the case of the "shabashnik's" in Chernigov, "that the only law applicable to them is the article in the Criminal Code on 'Private Enterprise Activity.' And a sentence of up to five years."

"No," he objected. "There is also the article on 'Larceny.'"

It was for private enterprise activity and larceny that Al'bert Mayrab, Virab Ovsepyanov, and Babken Galoyan were prosecuted. They are all brigade leaders. They did not have criminal records, and all three were related and born in Martuninskiy Rayon of Armenia.



Let me say right away that there were no false reports or "dead souls" [non-existent workers] in the brigade, nor were they accused of taking bribes. The workers received from the kolkhoz cashier's office exactly what they were supposed to receive according to the contract. Why is this a crime?

Here is a quotation from the judgment: "Under cover of a contract concluded with A. M. Ageyev, chairman of the Kolkhoz imeni Tel'man, the brigade carried out capital repair of the road from Nezhin through Ichnya to Romny and built a sidewalk in the community of Parafiyevka." While engaged in this activity, the judgment goes on, they extracted non-labor earnings ["nazhiva"]. The amount of this "nazhiva" was the difference between what they were paid and what, in the opinion of the investigation and the court, they should have been paid.

I would not for anything undertake to say how much they should have been paid -- even specialists differ on this. Neither will I here discuss whether a re-computation was correct at all if they did the work on time and well, were paid for it according to a contract, and the job as a whole cost a low price. I will only relate how the calculation was done, both when they were paid and when they were inspected.

So the workers did the job and a representative of the road construction administration accepted the finished sector of road and multiplied the number of square meters by 3 rubles 47 kopecks. Why by this amount? Brigades in the past had been paid more, five, six, and seven rubles per square meter of asphalt road. But at a certain time they decided to set a "ceiling." And specialists in Chernigov, on the basis of a rough cost estimate, derived the amount, 3 rubles 47 kopecks. It was ratified by the capital construction administration of the oblast administration of rural construction. And after that this was the only price paid to any road construction brigade in Chernigov Oblast, whether they did a new road or capital repair and asphaltting on an old one.

But the experts involved in the investigation calculated just 99 kopecks per square meter. Then they changed it to 1 ruble 11 kopecks, then 1 ruble 24, then 1 ruble 63, and 1 ruble 69. Somehow they could not seem to get it right. As soon as they would complete a rough cost estimate based on their own references (hauling sand -- a certain amount, leveling -- a certain amount), it would come out that they had overlooked something. The workers were shown their conclusions, and they disagreed. "The road wasn't smooth; it had large pits and bumps that we leveled out by hand. According to the contract they were supposed to give us a roller driver, but we did his work ourselves. They were supposed to crush the bitumen and spread it on the road for us, but we did this heavy work also. We received about 100 carloads of gravel, and unloaded it all ourselves. The experts didn't consider that either..."

But how could the experts have known how much crushing and loading the workers did. How much work there was, and how many times they went over it? There is no norm-setter in such brigades, and records are not kept. There are not even any documents which could be used to judge the initial condition of the "square meters." The calculation was made a year after work was completed. But if we try to go back and, for example, make a cost estimate by elements for mending a suit, we would have to know how many holes and tears there were before the

mending. So doesn't it appear that they calculated something that in principle cannot be calculated?

In one thing, however, the experts were undoubtedly right: the price "handed down" from the oblast center did not, of course, reflect the exact amount of labor expended (if for no other reason than because square meters cannot be the same -- some have pits, some bumps, some are sand, and others are stone). It is clear that the price was set only in order to avoid having to pay more. Only it is just as clear that the calculations of the experts were approximations. But the jail sentences are hard facts...

"I don't understand," I said to the investigator. "These same people were paid almost twice as much not long ago. But at that time you didn't see any crime."

"That's right."

"But 3 rubles 47 kopecks is a crime..."

"Absolutely," the investigator agreed.

He explained. The Criminal Code in the article "Private Enterprise Activity" stipulates a mandatory condition of the crime: using the cover of a state, cooperative, or other public enterprise. And in this case they figured that the workers had "covered themselves with the form of the kolkhoz," for they received money at the kolkhoz cashier's office, but worked on a state road. It comes out that if they had worked on kolkhoz roads, as they had earlier, they would not have been criminals. But they moved onto the state road, which was right there, on the kolkhoz property, and they became criminals. But why should workers who come from outside have to identify whose road it is? The kolkhoz hired them and they received their money, as usual, from the kolkhoz cashier; why should their fate also depend on how the oblast and rayon executives agree among themselves?

And I have not yet said where the amount of the larceny, 17,168 rubles, was taken from. They counted the advance payment of 5,000 rubles in it, then the 5,000 ruble bonus the brigade received for its two years of work, as stipulated in the contract (incidentally, the persons who gave the bonus have already been vindicated for this). The rest was the earnings of brigade leader Al'bert Ovsepyan for 1980.

This part of the amount "stolen" was determined as follows. The investigator inspected the record of work time in the brigade. Next to each name, day after day, stood the figure "13." But it was known that the brigade leader had been gone for two months. And he received money.

But this is how the brigade did things. They divided their earnings evenly. And if the others recognized the reason which caused a person to be absent as a proper one, he would be paid as if he had worked. One worker's father died and he was sent home, but he received his share. Another went to the hospital, but he did not suffer a material loss. Circumstances forced the brigade leader

to spend two summer months in Armenia, and the brigade handled this in its usual manner.

You will say: this is the brigade's business, to distribute its earnings. This is the brigade contract in pure form. True. But where is it written? So the head bookkeeper at the Kolkhoz imeni Tel'man, to keep things straight (but it turned out that he brought down trouble on himself and on the brigade), started demanding a record of work time. No one said to him that with a contract it does not matter to anyone how many hours are worked in the brigade, because it is paid only for the finished result. And it comes out that if Al'bert Ovsepyan had made the contract with a different kolkhoz (they had not kept records at other kolkhozes, and no one asked for them), there would have been no "grand larceny." But this kolkhoz did keep them, so he got a jail sentence: 10 years in a strict-regime colony and full confiscation of his property. Aren't there too many accidental occurrences for one story?

Upon returning from Chernigov Oblast I went around to many state institutions and learned that we have no organization or even person working specially on the problem of these brigades. They are an uncontrolled phenomenon, and after those old studies no attempts were made to bring them under control.

At the same time there are many questions, and the main one is payment for labor. It is for payments that are considered too high that both those who pay and those who receive the pay are usually prosecuted. But what should the chairman use as his guide in setting the rate, you ask. At the present time in the local areas they employ the principle of "profitable or not." In addition they look at "how others pay." But in our case others paid the same and it was profitable for everyone -- yet look at the result!

I got the same answer everywhere: we work with labor payment at state enterprises and are not interested in "shabashnik's." And they expressed surprise, asking why they should be paid differently. The norms and wage rates are uniform...

That may be so, but here are the calculations. According to all norms a brigade of eight workers should build 519 square meters of asphalt road in a month. But Al'bert Ovsepyan's brigade built 5,000. What effect on the pay should a work rate 10 times the norm have?

Here are more figures. According to data from the USSR State Committee for Labor and Social Problems a worker in such a brigade in fact works 240 8-hour days in a six month season, which is the 1-year norm for a conventional construction worker. And for an 8-month season it significantly exceeds this norm. So shouldn't it be kept in mind that actually they received money for a year?

I was told about their work. Heat, evaporation from the asphalt, tar boiling in the cauldron... "Like in a high-temperature shop, but with gas too," the kolkhoz members said for comparison. Incidentally, workers at asphalt plants receive a pay supplement for harmful working conditions. Should we remember this when calculating the overpayment?



In short, at present there are more questions than answers. If a person builds a road, can it be said that he is "not engaged in socially useful labor"? If he works from dawn to dusk, why are his earnings called "non-labor earnings"? For example, why not identify the amount of work that brigades do, and why not plan materials for this volume of work, in order not to have to ascertain later who they bribed to get the materials. Why not decide whether we recognize them as having the rights of brigades, including the right to distribute earnings among their members? Incidentally, if this matter had been cleared up, Al'bert Ovsepyan would not be serving a sentence right now for grand larceny.

Yes, the questions are difficult. But they must be resolved. It is still true that we would be best off without "shabashnik's." And yes, there are dishonest people among them; but that is a special matter. We are talking here about the phenomenon. If the phenomenon exists, there must be social, legal, and economic substantiation of it. If the "shabashnik" or whatever they call him exists -- and we do admit his existence today -- then, whether we like it or not, he must feel not just the punitive but also the protective force of the law, like any other citizen.

The town of Verin-Getashen, from which all four convicts came, is high in the mountains of Armenia. The people there engage in animal husbandry and raise tobacco and potatoes. A large plant is under construction nearby. It is being built to employ people: they do not want to move from their native places, but at the present time 4,000 people cannot find permanent work near home. Martuninskiy Rayon has a labor surplus. It is usually from such regions that people come to do "shabashnik" jobs. According to incomplete and approximate figures (the only ones there are) about 100,000 people travel out from the Transcaucasian republics each year. About the same number leave the Northern Caucasus. About 50,000 travel from Moldavia, the Baltic republics, and the western rayons of Belorussia and the Ukraine.

#### Readers' Reactions

Moscow IZVESTIYA in Russian 30 Jul 85 p 3

[Article by I. Kruglyanskaya: "Time and Money"]

[Text] The essay "The Road" was published in IZVESTIYA, No 108. Among others it raised the problem of the status of the so-called "shabashnik" or contract ["akkordnyy"] brigades. The editors have received hundreds of responses. The subject matter of the letters varies; they raise economic, social, moral, and legal aspects. Not all agree with the newspaper's position. Some think that the "shabashnik" phenomenon should not be regulated, but prohibited. The main argument supporting the accusations is the fabulous money the brigades receive. We have primarily chosen letters on this subject -- big earnings and deserved earnings -- for today's review of the responses.

They came to the editors from various places. And they seemed very similar, a strange combination of the confidence characteristic of strong working people

and ... timidity. Each one was crossing the threshold of a central newspaper editor for the first time. And each one was cautious...

These were the "shabashnik's." They came after IZVESTIYA published the essay "The Road." We wrote about brigades that build roads. We were visited by a logger, a farmer, and a construction worker. Their position in society is just as uncertain; the attitude toward them is equally complex. They are used to the fact that for many people "shabashnik" and "criminal" are practically synonymous. No, nothing had happened to them, and they did not ask for protection. They wanted to be listened to. Incidentally, the story of one, the farmer, was already published in IZVESTIYA (No 167).

They themselves are disturbed by these questions: Who are they? Does society need them? And they demand that society make it clear. But there is no clarity. And we can hardly remember more contradictory mail than what was received in response to the essay "The Road." Some demand that the "shabashnik" phenomenon be prohibited. Others demand that we prohibit -- no, not the phenomenon -- the term "shabashnik." "What dim-witted person thought up this name for seasonal agricultural workers?" construction worker V. Kuzin of Minsk asks indignantly. V. Slozhenikin of the city of Kommunar'sk in Voroshilovgrad Oblast reasons: "What is a 'shabashnik' brigade? It is actually an 'artel' [worker association]. That is what the Encyclopedic Dictionary says. And it adds that this is one of the forms of socialist collective labor." This same idea is elaborated by Ye. Volkov, a teacher from the city of Zhigulevsk in Kuybyshev Oblast: "Really, 'shabashnik' brigades have existed in Russia since ancient times. Only before they were not insulted; they were given a respectable name -- 'artel's.' They walked and rode to every corner of the Russian land. They built huts and palaces, tiny churches and cathedrals. In the 1920's and 1930's there were also a large number of 'artel's.' And a share of the credit for the rapid reconstruction of the young Soviet republic goes to the 'artel' workers."

Many of our authors also see a healthy phenomenon in the current brigades, whose reputation is not, to be frank, the best. "In the first place, because the city absorbed more people from the countryside that it can rationally use," writes M. Mil'ner, chief agronomist at the Kolkhoz imeni Shchors in Kominternovskiy Rayon of Odessa Oblast. "In the second place, the countryside is suffocating with work force. And in the third place, many people who left the countryside for the city miss their . peasant labor, and for them to work the summer in the countryside gives a charge of vital energy. We have a six-person brigade working here for the second year now. Competent young people between 25 and 30 years old. They do outstanding work, follow scientific farming practices strictly, and are disciplined. Last year they produced 200,000 rubles of net profit from 100 hectares of melon crops. If you consider that the kolkhoz has debts of 3 million, their share of labor participation becomes understandable."

The author of this letter reports the following about himself. He has worked in agriculture for 40 years. He has the highest agricultural awards. "I went on pension, but after the April (of this year) Plenum of the CPSU Central Committee I felt with my heart and my mind that significant changes for the better

were coming in our country. I considered it impossible to remain on the sidelines, and deliberately took a job as chief agronomist at one of the most backward kolkhozes." Incidentally, civic activism and a desire to take part in overcoming economic difficulties are felt in many letters. Moreover there is a real thirst for work. Work "at full blast." Perhaps this is why the letters abouts "shabashnik's" also frequently express, no matter how strange it seems, envy.

"I tried to sign on in their brigade," writes worker B. Viktorov of Tallin. "I was told immediately: if you don't show up for work, don't come again. I think that is simple and fair. After all, these brigades are made up of people who have physical strength and have come to long for real work. They want to embody their knowledge, energy, and abilities in something material. And they do not demand anything for this, except what they have earned. And they must be paid, for it is profitable to everyone."

No, it is not profitable, others believe. "The 'shabashnik' is a person who wants to collect a fat sum of money whether he has earned it or not. The fabulous money made by the brigades has a demoralizing effect on society. Already some regular workers, engineers, and even associates at scientific research institutes have left to go after easy money. In our region, for example, the chief engineer at one of the construction-installation administrations formed a brigade of engineering-technical personnel and concluded contracts with kolkhozes ... we had to step in..."

This letter was sent to the editors by A. Beloglazov, deputy chairman of the Nerekhta City People's Control Committee in Kostroma Oblast. It should be noted that a very high percentage of those who are "against" are employees of control and monitoring organs. The organization of work in the brigades in no way fits with the rules, instructions, and norms by which the controllers are used to being guided.

"While performing my service duties," the subject is continued by Yu. Shilatyarkin, deputy chief of the technical division of the Gorky Oblast office of Gosbank, "I have become familiar with the mechanism of the 'shabashnik' phenomenon. I have seen this picture a number of times. There are two asphalt plants along the road. A large one (belonging to Gor'kovavtodor) and a small one (as we say, the "Armenian Construction Trust"). The large one is not smoking, but the small one is operating at full steam. Why is your plant down, I ask the Gorkovavtodor people? No bitumen, they say, or the electrician didn't make it. But the little plant always has bitumen, and the electrician is on the job. Why is that? It is because the 'shabashnik' has bigger earnings and they go further. And we still have not adequately assessed the demoralizing effect of these earnings on hearts and minds."

Questions of morality concern many readers. After all, the brigades are not sweating away out of higher considerations; they do it for money. This means they are money-grubbers. It means that for the sake of easy profit they are willing to sacrifice their lives, never rest, and get by without safety precautions, trade unions, and other advantages. "Of course, the 'shabashnik' works harder, disregarding time and expenditure of strength," writes a controller,



G. Zaytsev of Leningrad. "But really, this is intolerable! The 7 or 8-hour day is our greatest achievement. Work from dawn to dusk with almost no days off is alien to our society."

"But really, why is that?" objects M. Mil'ner, whose letter we have already quoted. "The 8-hour working day is our great right. But it is not an obligation! We have condemned and today condemn the desire to get more than you have earned. But to work a lot and earn a lot -- we have never condemned that. Are we really jealous of the miner who earns 600-1,000 rubles a month? Or the worker who operates multiple machines? Or the fisherman? And the people who think that 'shabashnik's' have a demoralizing influence on others around them are wrong too. Work cannot have a demoralizing influence; it can only indoctrinate. If it is real work, I mean. So how long are we going to consider this foreign money without taking into account what it was paid for? I don't understand at all what 'easy money' and 'hard money' are; money is either earned or not earned."

The most common subject of dispute in our mail was about whether the earnings of the "shabashnik" correspond to his labor. Controllers and rate-setters are unanimous in saying they do not. Construction workers, agronomists, and kolkhoz chairmen disagree. But let us listen to the interested party, the "shabashnik's" themselves.

"It seems to me," writes an anonymous author from Nikolayev, "that simply nobody knows how to pay us. I will give an example. Suppose that we raised 300 quintals of onions per hectare (this is the minimum our brigade has gotten in the last six years). We may receive 2,500 or 6,000 rubles for our output, and in both cases we will be told that everything is being done correctly. I have talked with sovkhos directors and kolkhoz chairmen. Many of them do not know how to calculate it. Even economists shrug their shoulders. I think that the net income of the farm per irrigated hectare should be the first criterion for evaluating the work of our brigades. According to the rate schedule under which our brigade works we bring the state from 8,000 to 10,000 net income per hectare. They should be delighted with these numbers."

"Concerning our earnings, incidentally, many people are mistaken," we read in the letter of A. Tan of Tashkent Oblast. "Some years you return home without your pants. And your family at home... Do you want the frank truth? If you only knew how many onions were stolen from us! We ourselves had to guard them against attack. We bought fertilizer and herbicides at our own expense. We turned the planned harvest over to the sovkhos free, and sold the above-plan harvest ourselves, hiring transport which again was at our own expense. Of course, nobody pays for our travel tickets, food, and days missed for sickness, travel, or vacation. We don't have the '13th' payment either. Unlike kolkhoz members and sovkhos workers we get no income from private plots and livestock; all our efforts go into the kolkhoz or sovkhos fields. And with all this, some people think that we get money for nothing!"

The "shabashnik's" themselves are convinced that it is the complete lack of regulation of payment for their labor that gives employees of law enforcement organs grounds to bring charges against them. But strange as it may seem, there are letters whose authors think that these brigades observe the principle of payment according to labor more than at state institutions and enterprises.

"I am not going to refer to the repair-construction administration of the Almalyk Mining and Metallurgical Combine, where I work," writes V. Troitskiy. Nor will I deal with pure construction. I work in repair and that is what I am discussing. The entire system of piece-rate labor payment here is hopelessly out of date. This is mainly because the 'Uniform Time and Rate-Setting Norms' -- the construction worker's 'Bible,' is outdated. What happens? Each month tens of thousands of people write up trainloads of paper nobody needs -- they 'cover the orders.' Thousands of rate-setters in divisions of labor and wages check these orders, setting no rates but rather making them fit the assigned amount. Ivanov, for example, is given an 'average daily' of 8 rubles 40 kopecks, while Petrov gets 8 rubles 60. The difference can be up to 50 kopecks, no more. But suppose one brigade does three times as much work; the difference in pay will be that same notorious 50 kopecks a day. We are appealing strongly for a rise in labor productivity, but we do not want to pay for this labor, which instills a 'leveling' attitude. We call for a 1-2 percent rise in labor productivity, but in reality, without any expenditures but just paying correctly, productivity could be increased 50 percent or even doubled. But what happens? One brigade of carpenters barely makes its planned output of 500 rubles per person. Another, wanting to earn more, takes any work, not just carpentry, and produces up to 2,000 rubles per person. You would think that under the piece-rate system their earnings should also be four times higher. But it isn't so. At best they will add 10-15 rubles. And so we drag out for three months what could be done in one. And would I condemn a worker who goes into a free brigade? At least there they pay fairly: if you do your work conscientiously, you get what was promised. Who does this hurt? Only loafers and slob."

Many people see labor payment as one of the main causes of the "shabashnik infection." This includes engineers and scientific workers; in fact, brigades composed of people with higher education are no longer unusual. Incidentally, the logger mentioned earlier who came to the editorial office had not long before been a specialist in automatic control systems.

"It seems to me that before taking up the 'shabashnik' phenomenon, we should take up the question of scientific research institutes," we read in a letter from senior scientific associate Z. Ashurov of Moscow. "For example, we have this indicator, average salary. It was established a long time ago, and the essential point of it this: for every candidate of sciences with a salary of 300 rubles there must be two associates earning 150 rubles apiece to insure an average salary of 170 rubles. And for each doctor of sciences you have to have three associates, with low qualifications or none at all, of course. And thousands of 'specialists' sit idle, yawning, reading, knitting, gossiping, and hindering others from working. Before getting rid of 'shabashnik's,' who provide an enormous benefit to the state, we should get rid of this idleness by thousands of working people where labor is so scarce in other places."

Another letter continues this thought: "At our scientific research institute the chief would be glad to give you work, but there isn't any. The staff is bloated. Three or four people fill a position where one would do. It is okay for women; they will keep busy at home. But what about the men? They are young and healthy, and it would be better for them to go to 'shabashnik' work than to jog aimlessly around town."

Unfortunately, I. Solovy'yeva, who wrote these lines, does not suspect what a sore spot she has touched. Many women, judging by our mail, would prefer a low-paid husband, one who "runs around." But not around the house. "And where does he work, this 'shabashnik,' from six in the morning until midnight?" O. Shibayeva of the city of Yagotina in Kiev Oblast writes bitterly. "Husband and father, but who raises his children? Who can the wife rely on in a difficult moment? She is alone from winter to winter and comes apart. Then when the 'bread-winner' returns there are reproaches, mistrust, a broken life. Who needs it, this money?"

As we see, the authors of the letters study the phenomenon from different standpoints. Most believe that it cannot be examined by itself, separately from other economic and social problems. "This phenomenon (needless to say, I have in mind brigades that work and earn honestly) deserves careful study for the purpose of then 'cultivating' them," writes V. Semenov of Leningrad. "Just as plant breeders try to make use of the valuable properties of wild plants, so society needs to take advantage of everything valuable in these 'wild' brigades."

There are many questions and contradictory statements. One thing is clear: while we argue about the "shabashnik's" they are out working. From dawn to dusk. Summer, that is their season. No matter what you think, there is a need for their labor. The logger brings wood to the kolkhoz. The farmer raises melons and onions. The construction worker...

In fact, the construction worker wrote a letter. "I got sick of condemning looks and being called a 'shabashnik.' I got tired of fearing procurators and the militia. I got tired of my wife's reproaches. I returned to the plant. The shop is being rebuilt. The construction work is being done by contracting organizations. They began six months ago, and no end is in sight. This is some kind of mockery of work. My old brigade would have completed it in two months."

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## EDUCATION

### ARMENIAN EDUCATION OFFICIAL INTERVIEWED ON REFORMS

Yerevan KOMSOMOLETS in Russian 15 Aug 85 p 2

[Interview with M. Martirosyan, deputy chairman of the ArSSR State Committee for Vocational and Technical Education by M. Vartanyan: "Reorganization"; date and place not given, introduction and questions printed in boldface]

[Text] Our correspondent's questions are answered by M. Martirosyan, deputy chairman of the AzSSR State Committee for Vocational and Technical Education.

[Question] "School Reform" and "The Year of the School"--we are used to these terms which have been firmly established in current language for some time now. Meanwhile, "The Basic Directions of the Reforms of the General Educational and Vocational School" envisage a truly cardinal alteration in the vocational and technical education system's work.

[Answer] The purpose of these alterations is best characterized by the word "reorganization." In the vocational and technical institutes [VTI] much is already changing and more will be changed: instructional programs and the material and technical resources, the principles of mutual relations with base enterprises and the system for educating the modern worker...

It is clear that a solid base is needed for such work. A very important step in this direction is the introduction of a passport system for the VTI's and this is being done in a number of regions of the country in light of the reform, including in Armenia. Practically everything enters into the passport system introduction: the characteristics of the teachers' and students' contingent, a study of the VTI's material and technical resources (for theoretical instruction as well as industrial training), the characteristics of the buildings and structures, the means of transportation, the existing system for assigning graduates to jobs in the national economy, and so on.

Moreover, a careful and serious analysis of the VTI's teaching staff contingent is already going on now. The purpose is to ensure that all the teachers and industrial training experts are specialists with a higher education, so that the best training and educational work experiences are more widely and more actively disseminated.

Currently youngsters in the republic's 94 VTI's receive more than 180 specialties. For this school year we will be accepting more than 31,000 first-year students alone. This is not simply a figure. During their years of studying these students will be able to well imagine what the VTI's of the future will be like. And... they themselves will participate in the reorganization!

[Question] Incidentally, with regards to such creative participation, frequently, while school children are being prepared for studying in a VTI, attention is focused, first and foremost, on their purely vocational orientation. To what degree is this justifiable? Perhaps, along with specific information on vocations and training conditions, it should be necessary in talks with tomorrow's students to pay greater attention to the question of the comprehensive development of the whole person in the VTI? In many schools today the broadest possibilities have been created for this purpose.

[Answer] At one time an acquaintance of mine, a responsible worker in a prominent VUZ, in a conversation with me advised me that we have the resources for the students' technical creativity, but other VTI's have a better experimental base than we do. And he was not joking. In fact, in a whole number of the republic's VTI's the base enterprises have helped not only to excellently equip the classrooms, but also to create genuine experimentation laboratories for vocational skills. It is no accident that there are many students with technical creativity in the VTI's today who are successfully participating in republic and All-Union olympiads and contests for young technicians. And the reason for this is that they are beginning to actively "create, invent and test" during the instructional process. The first results of the students technical creativity are witty simulators and other instructional devices.

...At the entrance to Yerevan VTI No 21 you are met by... a robot. It will greet you affably and, if you had come a little earlier in the morning and from behind you a late-comer to class had slipped past--then the electronic watchman, in accordance with all the rules, would have reprimanded the discipline violator. The robot is called the "Penguin" and was built by the VTI students. And they suggested several programs; whenever they are changed the robot's behavior changes, as do the contents of its "dialogues" with people.

Let me give yet another example. In Yerevan VTI No 26, where auto mechanics are trained, there is a carting club-- a sports club, yet in its activities the youngsters use the purely vocational knowledge obtained in the institute. The list can be continued: in the capital's VTI No 29 tomorrow's railroad workers have created a simulator for studying a system for passenger car heating, and young radio technicians from Leninakan VTI No 42 are maintaining contacts with people of their age group in all corners of the nation... Representatives from the republic's vocational and technical education system actively participated in the exhibition of technical creativity by the nation's VTI experts and students which was dedicated to the Moscow Forum on Youth that opened at the VDNKh SSSR [the Exhibition of USSR National Economic Achievements] on the eve of the 12th World Festival of Youth and Students. More than 20 gold, silver and bronze medals were awarded to exhibitors from Armenia and a group of the republic's VTI students was also awarded honorary diplomas of "Young Participant of the Exhibition of USSR National Economic Achievements."

Of course, the experience of the best VTI's in this trend will be disseminated. But in order for this dissemination of experience to achieve the status of a system of training and education, a so-called "second schedule" will be introduced in the republic's VTI's starting with the new school year. Just what is this? After their basic studies and practical training the youths, also according to a schedule, go to classes on technical creativity and to special interest sections and clubs. What an original "extended day" this is for senior students! In comparison to a regular school only a VTI has greater opportunities for organizing the leisure time and labor training of youths aged 15 to 18--this assertion is absolutely indisputable.

For example, the circles and collectives established by our House of Culture for the workers and students of the vocational and technical education system can serve as the bases for courses in amateur art activities within the framework of a "second schedule." Thus, recently the popular ensemble of our House of Culture took part in the cultural program of the 12th World Festival and all the performances were hits.

[Question] The introduction of computers into the school and the VTI is one of the most important changes which the reform will provide...

[Answer] To be more correct, they have already been introduced. Beginning with the new school year all the nation's VTI's will teach a new course--"The Basics of Information Science and Computer Technology." Currently all 94 of the republic's institutes have qualified personnel for teaching the new course--the VTI's teachers were trained at the Yerevan Polytechnical Institute.

The new subject basically teaches theoretical familiarity with problems. And actual practical work? In the current school year nine of the republic's institutes will become the bases for actual introduction to the process of studying computer technology. They are Yerevan VTI's Nos. 2, 3, 9, 13, 21 and 94, Abovyan VTI No 50, Razdan No 67 and Ashtarak No 56. Here the students will receive practical skills in "dialogues" with the machine, under conditions approaching real industrial ones.

In these base institutes (whose number will be increased gradually) in the new school year, studies will already be starting in visual display classes equipped with the "DVK-2M" microcomputer complex (their name is deciphered as--"Dialogue Computer Complex"). The complex includes the "DVK-1" microcomputer for the students and the "DVK-2" for the teacher. With the aid of the "DVK-2" the teacher can monitor the work of the students individually, as well as the entire group as a whole.

The advantage of this type of microcomputer is precisely the fact that similar computer equipment is being widely used in today's versatile automated industry, where robot equipment--systems of manipulators which carry out the most complex technological operations practically without human intervention--is being widely employed.

The Yerevan Polytechnical Institute's scientific workers and specialists are already developing instructional programs whose use in VTI visual display



classes will permit courses of instruction to be conducted using more intensive methods. But, on the whole, the computers which have come to the institutes are not merely new technology. They are the most important element for the general reorganization of the vocational and technical education system and are intended to establish a new qualitative level of thinking. If you like--a new level of world outlook for the modern worker...

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EDUCATION

IMPROVED TEACHERS' TRAINING VIA COMPUTER TECHNOLOGY

Moscow PRAVDA in Russian 13 Aug 85 p 3

[Article by V. Mislavskiy, candidate of pedagogical sciences, Moscow: "The Teacher and the Computer: Schools on the Road to Reform"]

[Text] PRAVDA has already spoken of the progress of preparations for introducing a foundation in informatics and computer technology into the scholastic training process. Today's article is about yet another aspect of this problem. It addresses the use of computers to aid the teacher's self-education, to increase his or her qualifications and pedagogical mastery.

The volume of information addressed to teachers and school leaders has grown significantly along with the increasing complexity of problems of Communist education and the rapid development of science and technology. Using traditional means of obtaining information, the teacher -- already pressed for time by his teaching load -- cannot master fully enough the continually growing flow of pedagogical data coming from scientific research and the most advanced experience.

Sociological research shows that the majority of teachers subscribe to and continually use methodological journals on teaching, but that only a small number of teachers read special books on general teaching activities, pedagogy and psychology. Twenty years of working as director of a school have convinced me of this. Additionally, the complexity of the task of molding each student as a fully developed personality, together with the particularities of today's adolescent generation, demands from teachers and parents a more and more skilled approach to the upbringing and education of children and adolescents.

These circumstances necessitate altering and improving the scientific-pedagogical information system for teachers, especially in the sphere of theory and methodology of Communist education, making it accessible, operational, and popular for the masses. Accomplishing this task without applying contemporary computer technology seems impossible. What is suggested here is the wide use of computers and programming methods to elaborate an automated information-retrieval system (AIPS), which will make possible accumulation, storage, system analysis and rapid answers to the teacher's requests for concrete scientific-pedagogical information.

Such an experiment has been carried out in Moscow using the main computing center of the Gidroproyekt Institute. The area of educational interaction between school and family was taken as a domain to provide information. The version of the AIPS developed with the working title, "The Teacher and Parents," is helping the classroom leader with a minimal expenditure of energy and time to get data, characterizing a specific family, and the pedagogical information necessary for establishing cooperation with the parents.

As the teacher turns to using the computer, he or she fills out a request-form and submits it to the computing center. The available information consists of advice to the teacher and a list of recommended literature. Preliminary codes are also transferred onto punch cards, and this material is recorded on magnetic tape, which is kept in the computing center.

The textual information received from the computer corresponds to the real life situation which interests the teacher. This information recommends specific teaching activities, points to forms and methods of communication expedient to the given situation, reviews the rules of professional tact, and warns against some typical mistakes. The decisive word always remains to the teacher, who in the final analysis defines the content and methods of his or her work.

Application of similar types of automated information-retrieval systems is possible in the most widely divergent spheres of teaching activity. Thus, knowing the most complex sections of the scholastic program and the characteristic difficulties in teaching one subject or another, it is possible to create information-retrieval systems in all disciplines of the scholastic plan of the general instruction school. It is expedient to do this during the teaching year, putting into the data bank not only information and advice on teaching methodology for the teacher, but also various types of teaching materials.

Vital questions of school directing and control (as an aid to the director and deputy directors of the school) have not been excluded in the outlook on creating the Automated Information Retrieval Systems; nor have various forms of extracurricular educational work, the problems of contact between teacher and students, the content and methodology of conducting departmental and study circle activities, the organization of after-school classes and groups, the interaction between the teachers and of scholastic self-government organs and student social organizations, etc.

The high quality of information put into information-retrieval systems will be guaranteed by the involvement of pedagogical institutes, the corresponding faculties of the universities, pedagogical institutes and departments which improve the qualifications of middle, general education school directors, and experimental methodologists from the teacher training institutes in developing and synthesizing the recommendations addressed to teachers and school leaders.

Active participation in the organization and functioning of the new system of information demands from pedagogical Scientific Research Institute and Higher Educational Institution departments a systematic, profound analysis of school practices, and a definite restructuring of its working toward a more serious



orientation to the vital demands of school and teachers' needs. This will help bring teaching closer to life, and introduce the achievements of psychological and pedagogical sciences and the most advanced experience into practice at general instruction schools.

The information-retrieval system, based on the use of computers, has sufficient capacity, flexibility and mobility: the number and content of the social-psychological factors, characterizing this or that teaching situation, can be changed by the operator. Moreover, the introduction of the Automated Information-Retrieval System to aid the teacher as an additional form of scientific-pedagogical data does not demand that special computers be provided to all schools, rayon or city public education departments. It is enough if one computing center in each oblast, kray and autonomous republic takes upon itself this responsibility. Oblast and kray level Computer Centers and specific types of computers in pedagogical institutes and universities can be used to meet these goals. The universal character of information-retrieval systems makes their mass use possible: the teacher who lives in the countryside, can send the punch card to the appropriate computing center and receive a reply by post.

All of this work, naturally, requires organizational and scientific-methodological leadership from the USSR Ministry of Education and the Academy of Pedagogical Sciences. The introduction of the new system of providing information using computers will help the teacher successfully to solve complex problems of training and educating youth in a world demanding reform of its general instruction and professional schools.

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